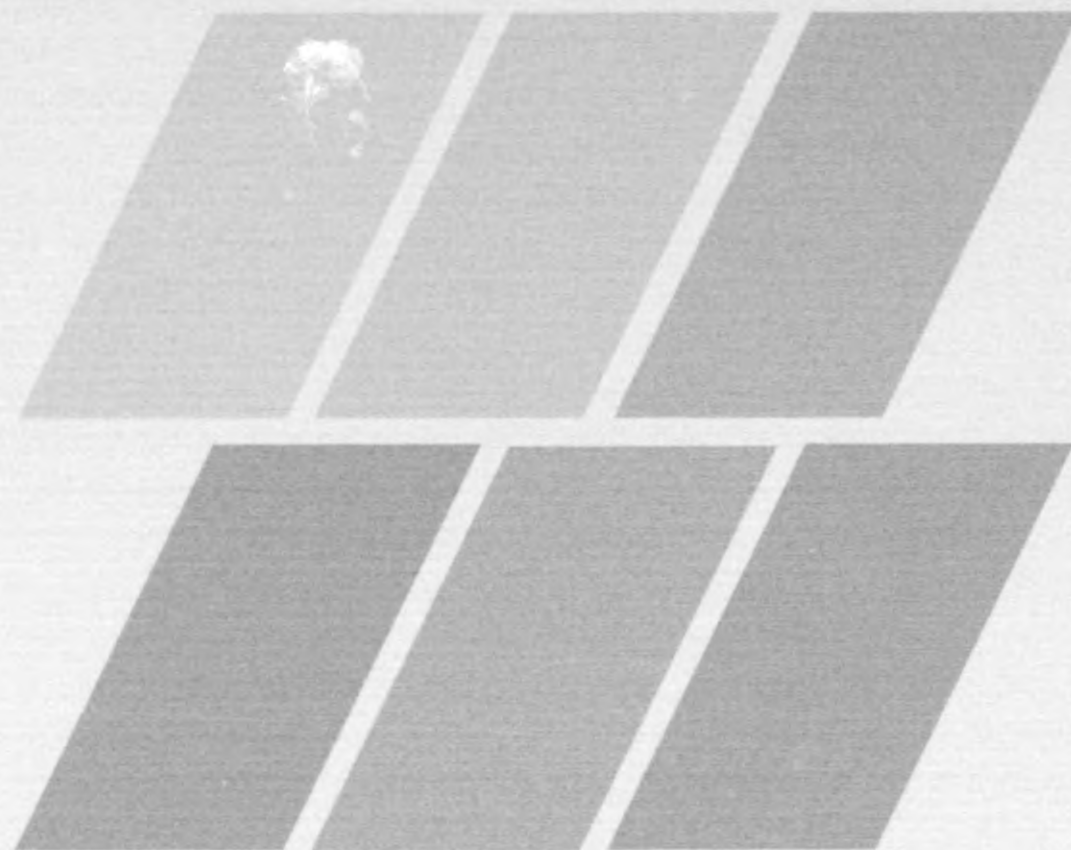




NIAGARA REGION

Quarterly Financial Update

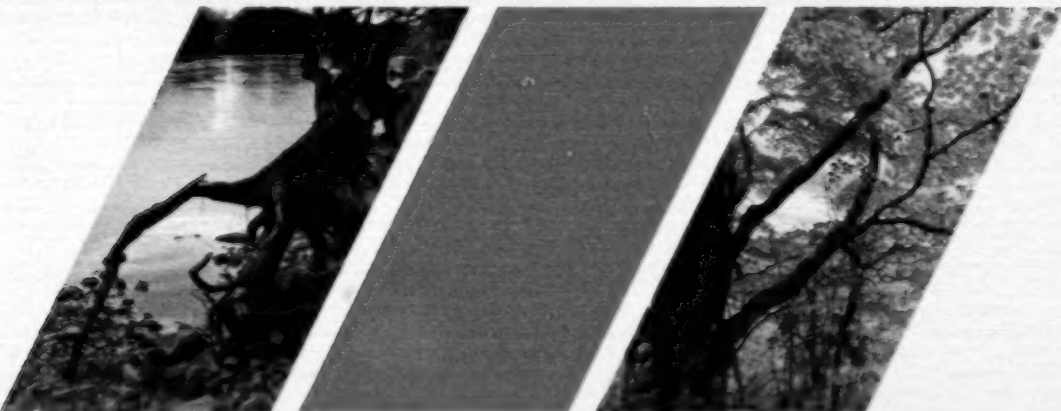
September 2014



Quarterly Financial Update

TABLE OF CONTENTS

Introduction	4
Consolidated Funding Surplus/(Deficit) Review	5
Consolidated Statement of Operations – Water and Wastewater	6
Consolidated Statement of Operations – Waste Management	8
Consolidated Statement of Operations - Levy	10
Departmental Results	
Governance	12
General Government	14
Corporate Administration	16
Corporate Services	18
Community Services	20
Public Health	22
Planning & Development	24
Public Works - Levy	26
Economic Development	28
Agencies, Boards and Commissions	30
Reserves/Deferred Revenue Summary	38
Operating Reserve Transfer Reconciliation	42
Capital Reserve Transfer Reconciliation	43
Capital Project Summary	44
Capital Project Detail	45
Capital Project Negative Budget Variances	49
Budget Adjustment Summary	50
Accounts Receivable Aging Report	51
Investment Summary	52
Explanation of Statement of Operations	54



INTRODUCTION

On behalf of Niagara Region, we are pleased to provide you with the third quarter financial update.

Niagara is a culturally rich and historically significant region that offers its residents a mix of urban and rural living within 12 area municipalities. The Region boasts a diverse economy that includes manufacturing, tourism, agriculture and emerging sectors such as new media, green technology and bioscience.

Regional government operations are overseen by Niagara Regional Council which is composed of 30 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in October 2010 and the 31 members will serve a four year term to November 30, 2014.

As of September 30, 2014 Niagara Region is forecasting a year end funding surplus of \$35 thousand related to the levy programs, \$2.0 million surplus related to Water and Wastewater programs, and \$2.1 million related to the Waste Management Program.

Affordability and sustainability are two key elements of Niagara Region's budget strategy. Achieving a balance between providing the programs and services residents have come to rely upon, ensuring they can afford to pay for them and ensuring that we have money to fund future infrastructure and program needs is critical. We would appreciate your feedback at www.niagararegion.ca.

We hope you will find the information provided in this report of interest and welcome any suggestions for its improvement going forward.

Maurice Lewis,
Treasurer,
Commissioner of Corporate Services

Readers of this third quarter financial update are cautioned that actual operating results may vary from the forecast information presented. Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this third quarter financial update.

Operating Funding Surplus/(Deficit) Review

The Niagara Region is forecasting overall operating surpluses in Water & Wastewater, Waste Management and Levy in 2014. Explanations of these forecasted surpluses are summarized below.

Water & Wastewater		
Operating Funding Surplus	\$	1,999,128
% of total spending		1.82%
% of rate revenue		-1.86%
Water and Wastewater Services surplus of \$1,999,128 is due to a combination of personnel vacancies in technical trades and water operators, staff working in dual roles, and a delay in the supervisory training program. As well as, emergency repair funds that have not been expended. Also contributing to the surplus was: the reduction/deferral of consulting services related to ongoing condition assessments, consolidated drawing management and process reviews of plant, linear and remote facilities due to diversion of staff to design the new Niagara-on-the-Lake wastewater treatment plant, the timing of the Biosolids program as land application was delayed this spring due to wet weather conditions.		
It is recommended that the forecasted funding surplus of \$1,999,128 for water and wastewater go to the water and wastewater stabilization reserves.		
Waste Management		
Operating Funding Surplus	\$	2,060,364
% of total spending		4.14%
% of rate revenue		-5.83%
Waste Management Services surplus of \$2,060,364 is primarily due to higher than expected recycling processing revenue and one-time expense savings. The recycling processing revenue was higher due to the award for the Waterloo contract which commenced April 4, 2014 and was not included in the 2014 approved budget, improved market pricing compared to budget, and higher tonnages than anticipated, especially from commercial sources. The one-time expense savings resulted from the delay in re-opening of the Bridge Street landfill and the reduction in fuel costs.		
It is recommended that the forecasted funding surplus of for waste management be incorporated into the long term capital financing plans for the waste management programs.		
Levy		
Regional Departments and General Government	\$	(1,006,467)
Boards and Agencies		1,042,397
Operating Funding Surplus	\$	35,930
% of total spending		0.01%
% of levy revenue		-0.01%
Levy supported departments and general government is forecasting a deficit of \$1,006,467. The deficit is a result of a \$1.8 million shortfall in payments in lieu of taxes and higher than expected costs for Smarter Niagara Incentive Program of \$1 million which have been partially offset by savings and additional other revenues that have been generated across departments.		
\$1.7 million of the Taxpayer Relief reserve has been utilized in accordance with budget and will be re-evaluated at year end to determine whether it is still necessary or if it should be repurposed.		
Levy supported boards and agencies are forecasting a surplus of \$1,042,397. This surplus is being driven by a \$954,446 surplus in the Niagara Regional Police Service Department which is primarily the result of timing of expenditures and ongoing rationalization of discretionary spending.		

Staff will continue to closely monitor revenues and spending in order to minimize any deficits and take corrective action as required or where appropriate. The net levy surplus will be addressed in accordance with the Council approved Surplus/Deficit Policy at year-end. Final allocation of the year end surplus/deficit is subject to approval by Council projected to occur in early 2015.

Notes:

The forecasts were derived using assumptions and estimates based on information available to management at the time of writing this quarterly financial update. Readers of this mid-year financial update are cautioned that actual results may vary from the forecast information presented.

- It is also important to note that there are certain risks to the above forecast including:
- Legal liability could fluctuate at year end depending on claims status;
 - Results of current collective bargaining are unknown;
 - Line of sight on supplemental taxes, payments-in-lieu, and assessment appeals are limited as all information for these items are not provided by the local area municipalities until year end. To this extent the forecast for these items remains at budget.

Water and Wastewater Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 21,456,127	\$ 16,088,024	\$ 15,402,529	\$ 685,495	4.3%	\$ 5,343,322	\$ 20,745,851	\$ 710,276	3.3%
Administrative Expenses	513,640	384,957	392,895	(7,938)	(2.1%)	113,404	506,299	7,341	1.4%
Materials, Supplies & Utilities	13,518,018	10,137,321	10,052,952	84,369	0.8%	3,553,057	13,606,009	(87,991)	(0.7%)
Repairs & Maintenance	8,537,731	6,403,050	5,681,285	721,765	11.3%	2,606,446	8,287,731	250,000	2.9%
Purch. Serv. & Other Operating Expenses	12,627,849	9,470,583	7,355,926	2,114,657	22.3%	3,387,273	10,743,199	1,884,650	14.9%
Financial Expenditures	-	-	(20)	20	100.0%	20	-	-	100.0%
Capital Equipment & Renovations	168,980	126,648	255,685	(129,037)	(101.9%)	70,250	325,935	(156,955)	(92.9%)
Transfers to Reserves	40,151,006	30,113,253	30,113,253	-	-	10,037,753	40,151,006	-	-
Allocations Between Departments	2,983,960	2,237,862	2,154,454	83,408	3.7%	746,098	2,900,552	83,408	2.8%
Allocations to Capital Program	(567,000)	(425,250)	(319,316)	(105,934)	24.9%	(141,750)	(461,066)	(105,934)	18.7%
Total Gross Expenditure	99,390,311	74,536,448	71,089,643	3,446,805	4.6%	25,715,872	96,805,515	2,584,796	2.6%
Revenue									
Taxation - Rate	(107,222,141)	(80,416,593)	(80,099,524)	(317,069)	(0.4%)	(26,106,076)	(106,205,600)	(1,016,541)	(0.9%)
Fees & Service Charges	(1,643,039)	(1,232,253)	(1,099,482)	(132,771)	(10.8%)	(355,696)	(1,455,178)	(187,861)	(11.4%)
Other Revenue	(12,000)	(9,000)	(37,654)	28,654	318.4%	(7,802)	(45,456)	33,456	278.8%
Transfers from Reserves	(750,000)	(562,500)	(1,097,660)	535,160	95.1%	(187,500)	(1,285,160)	535,160	71.4%
Total Revenue	(109,627,180)	(82,220,346)	(82,334,320)	113,974	0.1%	(26,657,074)	(108,991,394)	(635,786)	(0.6%)
Net Expenditure/(Revenue) before Indirect Allocation	(10,236,869)	(7,683,898)	(11,244,677)	3,560,779	(46.3%)	(941,202)	(12,185,879)	1,949,010	(19.0%)
Indirect Allocation									
Indirect Allocation	3,129,218	2,348,504	2,282,284	66,220	2.8%	790,480	3,072,764	56,454	1.8%
Capital Financing Allocation	7,116,147	4,875,979	4,880,063	(4,084)	(0.1%)	2,242,420	7,122,483	(6,336)	(0.1%)
Total Indirect Allocation	10,245,365	7,224,483	7,162,347	62,136	0.9%	3,032,900	10,195,247	50,118	0.5%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 8,496	\$ (459,415)	\$ (4,082,330)	\$ 3,622,915	(788.6%)	\$ 2,091,698	\$ (1,990,632)	\$ 1,999,128	23,530.2%

Water and Wastewater Services - Statement of Operations

Community Impacts & Achievements

The Water Operations Division treated 60 billion liters of water in 2013 through 6 water treatments plants and 316 kms of watermains. Similarly, the Wastewater Operations Division treated 76 billion liters of wastewater in 2013 across 11 plants and one lagoon, with collection through 123 pump stations and 283 km of wastewater mains. In addition, these divisions are also responsible for input into water and wastewater approvals and master plans, design and construction, residual waste management, laboratory services, utility locates, environmental monitoring and enforcement, and sourcewater protection.

Q3 Project Update/Accomplishments:

- Wastewater best practices working group with Local Area Municipalities and the Region
- Wastewater Quality Management System (QMS) introduced this year
- Children's Water Festival
- Water Wagon deployment
- Enhanced community involvement and outreach – Fats Oils and Grease (FOG) and 'your toilet IS NOT a trash can'
- The new Niagara-on-the-Lake (NOTL) wastewater treatment plant construction has been tendered and is expected to be awarded early in Q4 with construction to proceed shortly afterwards
- The Welland water treatment plant project has been successfully tendered and construction is underway.

Variance Analysis

The following factors have contributed to the Public Works Water and Wastewater Services third quarter variance:

Personnel Costs: The favourable variances of \$685,495 year-to-date and \$710,276 forecasted are driven by continued recruitment challenges. During the first three quarters of 2014 there were vacancies in technical trades and water operators, staff working in dual roles, and a delay in the supervisory training program.

Repairs & Maintenance: The favourable year-to-date variance of \$721,765 is driven by emergency repair funds embedded within this category that have not yet been expended mainly related to building, equipment, and sewers. Items have been identified that will require repair and maintenance by year-end and therefore the year-end favourable variance is expected to drop to \$250,000.

Purch. Serv. & Other Operating Exp.: The favourable year-to-date variance of \$2,114,657 is driven mainly by: the reduction/deferral of consulting services including condition assessments, consolidated drawing management and process reviews as well as diversion of staff to design the new Niagara-on-the-Lake wastewater treatment plant (\$1,092,492); the timing of the Biosolids program as land application was delayed this spring due to wet weather conditions (\$805,949); reduced waste disposal due to settling tanks not requiring cleaning at the Decew Plant because of being offline for plant upgrades (\$153,257). The favourable variance is expected to decrease to \$1,884,650 by year-end.

Taxation – Rate: The year-to-date unfavourable variance of \$317,076 is driven by lower than forecasted water sales. The forecasted unfavourable variance of \$1,016,541 by year end is based on a projected water sale shortfall of 1,893 ML.

Fees & Service Charges: The year-to-date unfavourable variance of \$132,771 is driven by reduced sewer surcharge revenue (\$110,583) and the timing of revenues related to the rental of space for telecommunications equipment on Regionally owned water towers (\$49,466). The unfavourable variance is expected to increase to \$187,861 by year end which will be primarily due to lower sewer surcharge revenue.

Transfer from Reserves: the favourable mid-year variance of \$535,160 is due to previous encumbrances for intake cleaning at the Rosehill water treatment plant and is expected to be fully expended by the end of year.

Waste Management - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 3,722,294	\$ 2,792,535	\$ 2,469,583	\$ 322,952	11.6%	\$ 779,953	\$ 3,249,536	\$ 472,758	12.7%
Administrative Expenses	306,770	229,517	203,862	25,655	11.2%	70,724	274,586	32,184	10.5%
Materials, Supplies & Utilities	2,924,291	2,179,972	2,623,187	(443,215)	(20.3%)	997,636	3,620,823	(696,532)	(23.8%)
Repairs & Maintenance	849,271	637,061	573,261	63,800	10.0%	219,314	792,575	56,696	6.7%
Purch. Serv. & Other Operating Expenses	35,902,617	26,796,088	25,669,601	1,126,487	4.2%	9,961,490	35,631,091	271,526	0.8%
Financial Expenditures	-	-	131	(131)	100.0%	-	131	(131)	100.0%
Capital Equipment & Renovations	61,154	45,846	37,524	8,322	18.2%	33,523	71,047	(9,893)	(16.2%)
Transfers to Reserves	784,034	588,024	588,024	-	-	196,010	784,034	-	-
Allocations Between Departments	352,255	264,166	257,195	6,971	2.6%	88,089	345,284	6,971	2.0%
Allocations to Capital Program	(181,300)	(135,972)	(33,865)	(102,107)	75.1%	(45,328)	(79,193)	(102,107)	56.3%
Total Gross Expenditure	44,721,386	33,397,237	32,388,503	1,008,734	3.0%	12,301,411	44,689,914	31,472	0.1%
Revenue									
Taxation - Rate	(35,345,808)	(26,509,302)	(26,123,134)	(386,168)	(1.5%)	(8,948,198)	(35,071,332)	(274,476)	(0.8%)
Ontario/Canada Grants	(4,089,850)	(3,073,367)	(2,842,012)	(231,355)	(7.5%)	(848,842)	(3,690,854)	(398,996)	(9.8%)
Fees & Service Charges	(3,102,875)	(2,327,112)	(2,555,626)	228,514	9.8%	(840,633)	(3,396,259)	293,384	9.5%
Other Revenue	(7,230,412)	(5,422,752)	(6,743,794)	1,321,042	24.4%	(2,256,065)	(8,999,859)	1,769,447	24.5%
Transfers from Reserves	-	-	(793,068)	793,068	100.0%	-	(793,068)	793,068	100.0%
Total Revenue	(49,768,945)	(37,332,533)	(39,057,634)	1,725,101	4.6%	(12,893,738)	(51,951,372)	2,182,427	4.4%
Net Expenditure/(Revenue) before Indirect Allocation	(5,047,559)	(3,935,296)	(6,669,131)	2,733,835	(69.5%)	(592,327)	(7,261,458)	2,213,899	(43.9%)
Indirect Allocation									
Indirect Allocation	910,052	682,972	856,018	(173,046)	(25.3%)	236,085	1,092,103	(182,051)	(20.0%)
Capital Financing Allocation	4,137,507	3,688,790	3,646,259	42,531	1.2%	462,732	4,108,991	28,516	0.7%
Total Indirect Allocation	5,047,559	4,371,762	4,502,277	(130,515)	(3.0%)	698,817	5,201,094	(153,535)	(3.0%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ -	\$ 436,466	\$ (2,166,854)	\$ 2,603,320	596.5%	\$ 106,490	\$ (2,060,364)	\$ 2,060,364	100.0%

Waste Management - Statement of Operations

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities (landfill sites, Municipal Hazardous & Special Waste (MHSW) depot and recycling centre), the delivery of curbside waste, recycling and organics collection services and diversion programs, the management of long-term organics processing and disposal contracts, as well as policy development and capital program delivery. In addition to the operation of permanent drop-off depots, special event days are provided for diverting recyclables, electronics, MHSW waste, scrap metal and other materials.

2014 significant programs that drive the annual budget include:

- Waste, recyclables and organics collection contracts for base and enhanced service levels;
- Contracts with Walker for organics processing and waste disposal;
- Operations and maintenance contracts at open and closed landfill sites;
- Operation of a Regional recycling centre which is a net revenue generator; and
- Diversion initiatives including programs at drop-off depots and special event days and supporting outreach and communications.

2014 project updates/accomplishments include:

- Award of 3 year RFP to process Waterloo's mixed fibres and plastic bags resulting in a net increase in recycling processing revenue;
- Service area expansion for Niagara Road 12 MHSW Depot;
- Initiation of 1 year pilot program at Regional landfill drop-off depots for the recycling of carpets/underpads and mattresses/boxsprings;
- Implementation of the Special Events Organics Program with cost recovery fee;
- Curbside collection of single use dry cell batteries from low density residential properties for one week annually region-wide;
- Weekly recycling and organics collection for businesses and mixed use properties with a residential component;
- Collection of fats, oils and grease for recycling at the Region's Humberstone and Niagara Road 12 landfill drop-off depots and Walker's Residential Drop-off Depot; and
- Illegal Dumping Working Group initiatives - partnership between the Region and Local Area Municipalities.

Niagara is also the recipient of four awards from the Recycling Council of Ontario, which represents success as part of benchmarking of the Region's performance against that of other municipalities:

- i) Gold Award, in the Municipal Diversion category, recognized the Region's efforts to increase Niagara's diversion rate through the implementation of new and innovative waste diversion programs and through the promotion of programs as part of a comprehensive social marketing and outreach strategy.
- ii) Gold Award, in the Municipal Special Programs category, recognized efforts made by the Region and all 12 Local Area Municipalities to address illegal dumping through the creation of the "See It-Report It" campaign. Through collaborative efforts and financial support, from the Local Area Municipalities and the Region, a consistent approach was developed to manage illegal dumping, and to encourage the public to become engaged in reporting illegal dumping.
- iii) Silver Award, in the Municipal Communication category, for the "ReThink Your Waste" activity book, which was created to enhance Niagara Region's Waste Management Elementary Education Program.
- iv) Silver Award, in the Municipal Special Program category, recognized the combined efforts of Emlerra Environmental and Niagara Region for their on-going "Make Your Contribution at the Curb"™ Campaign, which is raising funds to purchase new cancer treatment equipment at the Walker Family Cancer Centre.

Variance Analysis

The following factors have contributed to the Waste Management Services third quarter variance:

Personnel Costs – The favourable variance of \$322,952 is due to vacancy management actions taken, including delaying the advertising of vacant positions, delaying the backfill of a position and backfilling at a lower cost. The resulting cost savings of these actions is an estimated \$472,758 (annualized).

Materials, Supplies & Utilities: An unfavourable variance of \$443,215 is due to increased costs due to the Waterloo contract which commenced in April (\$433,600) and increased leachate treatment costs given a wet season (\$138,321). This is partially offset by reduced recycling centre residue costs of \$110,131.

Purch. Serv. & Other Operating Expenses: A favourable variance of \$1,126,487 is due to reduced expenditures in the disposal program areas, which reflect the delay in opening of Bridge Street landfill (\$275,855), reduced expenditures for Mountain Road landfill where all pump wells have been shut off for most the year while an operational assessment occurs and MOECC approval is received (\$225,092), in addition to the timing of contract services expected to occur in Q4 for open and closed landfill sites; savings experienced in the Walker disposal contract due to the redirection of curbside and enhanced collection contract vehicles from Walker to Bridge Street landfill when it reopened (\$217,127); savings of \$308,000 in annual contract adjustment due to lower than budgeted fuel prices for base and enhanced collection contracts; and reduced expenditures of \$378,000 in consulting services due to the deferral of the Alternative Technology project and increased expenditures in Q4 due to timing of consulting work. The favourable variance is partially offset by increased haulage costs due to the Waterloo contract (\$327,000).

Allocations to Capital Program: The unfavourable variance of \$102,107 is due to vacancy management actions taken, including delaying the backfill of a position.

Ontario/Canada Grants: An unfavourable variance of \$231K is due to reductions in Waste Diversion Ontario/Stewardship Ontario Blue Box funding, MHSW program funding and Waste Electronic Electrical Equipment revenue due to reduced tonnage.

Fees & Service Charges: The favourable variance of \$228,514 is driven by higher tipping fees due to increased tonnage at landfills.

Other Revenue: The favourable variance of \$1,321,042 is driven by higher recycling processing revenue due to the Waterloo contract (\$1,129,860), improved market pricing compared to budget, and higher tonnages than anticipated, especially from commercial sources.

Transfers from Reserves: A favourable variance of \$793,068 is based on 2013 encumbrances for multi-year projects/contracts.

Consolidated Levy - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 335,478,954	\$ 249,973,703	\$ 250,316,950	\$ (343,247)	(0.1%)	\$ 86,359,651	\$ 336,676,601	\$ (1,197,647)	(0.4%)
Administrative Expenses	6,661,669	5,047,681	5,120,342	(72,661)	(1.4%)	2,011,613	7,131,955	(470,286)	(7.1%)
Materials, Supplies & Utilities	30,207,458	22,300,545	21,352,625	947,920	4.3%	8,609,383	29,962,008	245,450	0.8%
Repairs & Maintenance	10,624,877	7,742,601	7,576,446	166,155	2.1%	3,171,573	10,748,019	(123,142)	(1.2%)
Purch. Serv. & Other Operating Expenses	78,597,510	59,512,759	58,954,447	558,312	0.9%	23,101,459	82,055,906	(3,458,396)	(4.4%)
Social Assistance	106,889,082	80,166,681	72,435,867	7,730,814	9.6%	24,447,847	96,883,714	10,005,368	9.4%
Financial Expenditures	55,333,903	41,798,454	46,483,666	(4,685,212)	(11.2%)	14,568,511	61,052,177	(5,718,274)	(10.3%)
Capital Equipment & Renovations	1,499,849	1,094,675	1,259,161	(164,486)	(15.0%)	532,392	1,791,553	(291,704)	(19.4%)
Housing Provider Subsidy & Supplements	29,223,771	21,917,826	21,652,880	264,946	1.2%	7,314,583	28,967,463	256,308	0.9%
Transfers to Reserves	38,261,706	19,769,869	19,769,869	-	-	17,783,497	37,553,366	708,340	1.9%
Allocations Between Departments	(3,336,873)	(2,495,917)	(2,412,098)	(83,819)	3.4%	(840,956)	(3,253,054)	(83,819)	2.5%
Allocations to Capital Program	(1,957,644)	(1,468,229)	(1,622,116)	153,887	(10.5%)	(565,763)	(2,187,879)	230,235	(11.8%)
Total Gross Expenditure	687,484,262	505,360,648	500,888,040	4,472,608	0.9%	186,493,790	687,381,830	102,432	0.0%
Revenue									
Taxation - Levy	(328,661,408)	(232,026,815)	(230,987,917)	(1,038,898)	(0.4%)	(95,945,823)	(326,933,740)	(1,727,668)	(0.5%)
Ontario/Canada Grants	(260,747,896)	(195,554,408)	(188,633,341)	(6,921,067)	(3.5%)	(65,927,549)	(254,560,890)	(6,187,006)	(2.4%)
Fees & Service Charges	(34,022,257)	(25,101,257)	(25,041,947)	(59,310)	(0.2%)	(10,085,318)	(35,127,265)	1,105,008	3.2%
Other Revenue	(39,072,753)	(28,609,887)	(32,299,514)	3,689,627	12.9%	(9,364,213)	(41,663,727)	2,590,974	6.6%
Transfers from Reserves	(9,695,520)	(5,820,412)	(8,173,288)	2,352,876	40.4%	(5,571,003)	(13,744,291)	4,048,771	41.8%
Total Revenue	(672,199,834)	(487,112,779)	(485,136,006)	(1,976,773)	(0.4%)	(186,893,906)	(672,029,912)	(169,922)	(0.0%)
Net Expenditure/(Revenue) before Indirect Allocation	15,284,428	18,247,869	15,752,034	2,495,835	13.7%	(400,116)	15,351,918	(67,490)	(0.4%)
Indirect Allocation									
Indirect Allocation	(4,039,270)	(3,031,494)	(3,138,310)	106,816	(3.5%)	(1,026,565)	(4,164,875)	125,605	(3.1%)
Capital Financing Allocation	(11,253,654)	(8,564,769)	(8,526,322)	(38,447)	0.4%	(2,705,147)	(11,231,469)	(22,185)	0.2%
Total Indirect Allocation	(15,292,924)	(11,596,263)	(11,664,632)	68,369	(0.6%)	(3,731,712)	(15,396,344)	103,420	(0.7%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ (8,496)	\$ 6,651,606	\$ 4,087,402	\$ 2,564,204	38.6%	\$ (4,131,828)	\$ (44,426)	\$ 35,930	(422.9%)

Consolidated Levy - Statement of Operations

Variance Analysis

Year-to-date results reflect a number of surpluses that are not being forecasted to remain at year end. Known offsets to the year-to-date surplus are: transfer of additional investment income which is recorded at year end, timing of payments related to Prosperity Initiative grant, storm water and drainage payments to municipalities, and contract services delayed due to staff vacancies and cost of replacement pay generally concentrated in the months of July and August. Additionally, the timing of funding flowed to the Region for Homelessness and Seniors Community programs relative to payments made for these programs contributes to the surplus to date.

The following factors have contributed to the Niagara Region's third quarter variance:

Administrative Expenses: The unfavourable variance of \$430,775 is primarily the result of costs related to the co-hosting of the 2014 Federation of Canadian Municipalities (FCM) conference. These costs are offset by additional revenues recorded in Ontario/Canada Grants and Other Revenue.

Purchased Services & Other Operating Expenditures: The forecasted unfavourable variance of \$3,458,396 is primarily driven by an increase in payments to contracted Children's service providers as a result of additional funding announced by the Province for Children's Services. Other factors contributing to the unfavourable variance are: the late announcement of funding for Offload Nurses and the Ambulance Dispatch centre's lease download which were both announced in late October; the timing of invoices for Intermunicipal Transit services provided in September and emergency operational funds embedded within this category that have not yet been expended, related to bus failures; and the harsh winter has contributed to the variance with increased deterioration to pavement surfaces and higher than anticipated winter maintenance costs.

Social Assistance: The favourable forecasted variance of \$10,005,368 is a result of caseload mix being comprised of a large population of singles and therefore allowances and benefits are lower but are offset by unfavourable Ontario/Canada Grants.

Financial Expenditures: The forecasted unfavourable variance of \$5,718,274 is expected due to higher than expected grants awarded for tax increment financing and residential grant/loan programs and the carrying costs associated with issuing debt earlier than expected.

Capital Equipment & Renovations: The forecasted unfavourable variance of \$291,704 is primarily the result of leasehold improvements and furniture purchases for the new EMS fleet centre and a greater than anticipated number of computer replacements within public health.

Ontario/Canada Grants: The unfavourable variance of \$6,187,006 is due to lower grants as a result of social assistance caseload mix identified above which is funded, in 2014, at a rate of 88.6%.

Other Revenue: The positive variance of \$2,590,974 is partially driven by: additional investment income earned in the year (see investment report for further details); unbudgeted sale of land on Allendale Road; revenues related to FCM conference that were not included in the budget; one-time budgeted program grant from the Registered Nurses Association of Ontario, secondment revenue for a nurse working at the Ministry of Health and Long Term Care; the recognition of deferred revenues in the Omega and Resuscitation Outcomes Consortium programs from 2013; and unbudgeted funding opportunities through the Ministry of Education, Ministry of Children and Youth Services and Business Education Council.

Transfers from Reserves: The favourable transfers from reserves of \$4,048,771 is mainly being driven by:

- Transferring 2013 encumbrances of \$1.2 million to be used by levy supported departments in 2014 per report CSD 14-2014;
- A \$1 million transfer from the Improvements Initiative Reserve to fund labour relations costs incurred as part of the corporate reorganization;
- A \$2 million transfer from the Smart Growth Reserve to fund the Smarter Niagara Incentive Project;
- Partially offset by a reduced forecasted transfer of \$0.1 from the General Capital Levy Reserve as a result of less than expected activity within drainage assessments, storm sewer and bike lane cost sharing initiatives with Local Area Municipalities.

See the Reserves/Deferred Revenue (RES/DREV) section for a full reconciliation of reserve transfers outside of the 2014 Council approved budget.

Governance - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 2,395,442	\$ 1,736,373	\$ 1,769,249	\$ (32,876)	(1.9%)	\$ 615,155	\$ 2,384,404	\$ 11,038	0.5%
Administrative Expenses	232,280	174,114	97,411	76,703	44.1%	122,305	219,716	12,564	5.4%
Materials, Supplies & Utilities	51,894	38,889	35,110	3,779	9.7%	17,224	52,334	(440)	(0.8%)
Repairs & Maintenance	550	405	-	405	100.0%	-	-	550	100.0%
Purch. Serv. & Other Operating Expenses	292,938	219,690	209,024	10,666	4.9%	90,500	299,524	(6,586)	(2.2%)
Capital Equipment & Renovations	5,072	3,789	2,678	1,111	29.3%	1,117	3,795	1,277	25.2%
Allocations Between Departments	9,140	6,854	6,625	229	3.3%	2,286	8,911	229	2.5%
Total Gross Expenditure	2,987,316	2,180,114	2,120,097	60,017	2.8%	848,587	2,968,684	18,632	0.6%
Revenue									
Fees & Service Charges	-	-	(3,541)	3,541	100.0%	-	(3,541)	3,541	100.0%
Other Revenue	(20,000)	(14,994)	(24,751)	9,757	65.1%	(8,140)	(32,891)	12,891	64.5%
Transfers from Reserves	(28,000)	(20,997)	(119,797)	98,800	470.5%	(7,003)	(126,800)	98,800	352.9%
Total Revenue	(48,000)	(35,991)	(148,089)	112,098	311.5%	(15,143)	(163,232)	115,232	240.1%
Net Expenditure/(Revenue) before Indirect Allocation	2,939,316	2,144,123	1,972,008	172,115	8.0%	833,444	2,805,452	133,864	4.6%
Indirect Allocation									
Indirect Allocation	554,088	454,038	552,588	(98,550)	(21.7%)	98,662	651,250	(97,162)	(17.5%)
Capital Financing Allocation	185,220	96,401	85,827	10,574	11.0%	89,248	175,075	10,145	5.5%
Total Indirect Allocation	739,308	550,439	638,415	(87,976)	(16.0%)	187,910	826,325	(87,017)	(11.8%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 3,678,624	\$ 2,694,562	\$ 2,610,423	\$ 84,139	3.1%	\$ 1,021,354	\$ 3,631,777	\$ 46,847	1.3%

Governance - Statement of Operations

Community Impacts & Achievements

Q3 Project Updates/Accomplishments

- Federation of Canadian Municipalities (FCM) co-hosted with City of Niagara Falls
- Consolidation of the business support functions (i.e. finance and performance measurement) and moving towards a One Team model for the organization
- Implementation of Council's 2012-2015 Business Plan to improve services and reduce costs; improve Niagara's economy, governance and community services
- "AMO Niagara – Building Niagara Together" event held on June 13, 2014
- Lead advocacy with the Province of Ontario to secure GO Rail service to Niagara Falls with stops in Grimsby and St. Catharines by the summer of 2015
- Long-Term Care Home redevelopment report presented to Council
- Supported the efficiency study work related to the laundry operations at the Long-Term Care Homes
- Supported the Niagara Regional Police and Court Services e-ticketing project
- Supported the Court Services facilities project
- Reviewed and implemented Procedural by-law amendments as required and established recommendations for the incoming term of council
- Awarded the contract for the installation and have actively been establishing the process for conversion to the "Open Window" project enabling the electronic publication and distribution of reports, agendas minutes etc. It is anticipated that e-scribe will be rolled out in the new year
- In support of Governance Review, reviewed current committee structure and provided recommendations for discontinuance of some committees and guidelines for further assessment for reference by incoming council

Variance Analysis

The following factors have contributed to the Governance third quarter variance:

Personnel Costs: The unfavourable variance of \$32,876 primarily relates to staffing changes prior to the hire of a permanent Regional Clerk in August

Administrative Expenses: The favourable variance of \$76,793 largely relates to the timing of expenses anticipated with the election of a new council and a result of the FCM conference being held in Niagara Falls reducing the amount of travel expenses, as well as timing of expense claims by councilors.

Other Revenue: The favourable variance of \$9,757 is a result of higher than budgeted HST rebate for the Regional Chair and Council remuneration.

Transfer from Reserves: The favourable variance of \$98,800 relates to a transfer from the encumbrance reserve for consultant work for long term care homes efficiency study.

General Government - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ -	\$ -	\$ 53	\$ (53)	100.0%	\$ -	\$ 53	\$ (53)	100.0%
Administrative Expenses	500	369	164	205	55.6%	245	409	91	18.2%
Materials, Supplies & Utilities	2,000	1,494	1,725	(231)	(15.5%)	-	1,725	275	13.8%
Repairs & Maintenance	56,000	41,994	1,542	40,452	96.3%	26,000	27,542	28,458	50.8%
Purch. Serv. & Other	5,914,749	4,436,049	4,391,738	44,311	1.0%	1,460,705	5,852,443	62,306	1.1%
Operating Expenses									
Financial Expenditures	41,975,215	31,297,792	36,630,087	(5,332,295)	(17.0%)	10,943,106	47,573,193	(5,597,978)	(13.3%)
Transfers to Reserves	28,434,850	11,204,067	11,204,067	-	-	16,522,443	27,726,510	708,340	2.5%
Allocations Between Departments	-	-	92	(92)	100.0%	-	92	(92)	100.0%
Total Gross Expenditure	76,383,314	46,981,765	52,229,468	(5,247,703)	(11.2%)	28,952,499	81,181,967	(4,798,653)	(6.3%)
Revenue									
Taxation - Levy	(328,661,408)	(232,026,815)	(230,987,917)	(1,038,898)	(0.4%)	(95,945,823)	(326,933,740)	(1,727,668)	(0.5%)
Fees & Service Charges	-	-	130,949	(130,949)	100.0%	(130,949)	-	-	100.0%
Other Revenue	(12,859,795)	(8,926,344)	(10,924,624)	1,998,280	22.4%	(3,626,445)	(14,551,069)	1,691,274	13.2%
Transfers from Reserves	(3,330,225)	(2,769,424)	(2,769,424)	-	-	(2,634,383)	(5,403,807)	2,073,582	62.3%
Total Revenue	(344,851,428)	(243,722,583)	(244,551,016)	828,433	0.3%	(102,337,600)	(346,888,616)	2,037,188	0.6%
Net Expenditure/(Revenue) before Indirect Allocation	(268,468,114)	(196,740,818)	(192,321,548)	(4,419,270)	2.2%	(73,385,101)	(265,706,649)	(2,761,465)	1.0%
Indirect Allocation									
Indirect Allocation	(17)	-	174	(174)	100.0%	(17)	157	(174)	1,023.5%
Capital Financing Allocation	(48,793,266)	(28,879,338)	(28,737,907)	(141,431)	0.5%	(20,055,343)	(48,793,250)	(16)	0.0%
Total Indirect Allocation	(48,793,283)	(28,879,338)	(28,737,733)	(141,605)	0.5%	(20,055,360)	(48,793,093)	(190)	0.0%
Net Expenditure/(Revenue) after Indirect Allocation	\$ (317,261,397)	\$ (225,620,156)	\$ (221,059,281)	\$ (4,560,875)	2.0%	\$ (93,440,461)	\$ (314,499,742)	\$ (2,761,655)	0.9%

General Government - Statement of Operations

Community Impacts & Achievements

General Government includes:

- Net levy Taxation Revenue: The Region has the responsibility to fund costs associated with Property Assessment Services which are provided by the Municipal Property Assessment Corporation (MPAC);
- Investment Income: The Region owns and earns income on investments held with different institutions (see investment report for further details);
- Economic Incentives and other support: The Region contributes funding to the Niagara Health System's New Cancer Centre as well as grants related to development charges, the Pan Am games, the Youth Retention Program, Niagara 1812 Bi-centennial and the Smarter Niagara Incentive Project; and
- Capital Financing: The Region funds its capital programs through multiple financing sources such as capital levy reserve contributions and debt charges.

The risks associated in General Government include:

- Legal liabilities that could fluctuate at year-end depending on claims status
- Line on sight on write-offs and supplemental taxes is limited as it is not provided by the local area municipalities until year-end.

Variance Analysis

The following factors have contributed to General Government's third quarter variance:

Financial Expenditures: The year to date unfavourable variance (\$5,332,295) and forecasted unfavourable variance (\$5,597,978) are due to higher than expected grants awarded for tax increment financing and residential grant/loan programs. The carrying costs associated with issuing debt earlier than expected also contributed to the unfavourable variance.

Other Revenue: The year to date favourable variance of \$1,998,280 is mainly a result of additional investment income earned thus far in the year (see investment report for further details). The sale of land on Allendale Road, which was not budgeted, also contributed to the favourable variance.

Transfer from Reserves: The forecasted favourable variance of \$2,073,582 is a result of the Smarter Niagara Incentive Project being funded by the Smart Growth reserve.

Corporate Administration - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 9,975,023	\$ 7,901,632	\$ 9,086,709	\$ (1,185,077)	(15.0%)	\$ 2,302,327	\$ 11,389,036	\$ (1,414,013)	(14.2%)
Administrative Expenses	387,977	308,445	1,077,198	(768,753)	(249.2%)	73,254	1,150,452	(762,475)	(196.5%)
Materials, Supplies & Utilities	316,590	237,330	221,756	15,574	6.6%	45,582	267,338	49,252	15.6%
Repairs & Maintenance	77,800	58,347	63,098	(4,751)	(8.1%)	20,000	83,098	(5,298)	(6.8%)
Purch. Serv. & Other Operating Expenses	1,276,086	956,979	974,867	(17,888)	(1.9%)	373,433	1,348,300	(72,214)	(5.7%)
Capital Equipment & Renovations	21,282	15,930	17,041	(1,111)	(7.0%)	10,950	27,991	(6,709)	(31.5%)
Allocations Between Departments	(402,286)	(302,776)	(338,313)	35,537	(11.7%)	(93,672)	(431,985)	29,699	(7.4%)
Total Gross Expenditure	11,652,472	9,175,887	11,102,356	(1,926,469)	(21.0%)	2,731,874	13,834,230	(2,181,758)	(18.7%)
Revenue									
Ontario/Canada Grants	-	-	(100,000)	100,000	100.0%	-	(100,000)	100,000	100.0%
Fees & Service Charges	(2,500)	(1,872)	(6,515)	4,643	248.0%	(300)	(6,815)	4,315	172.6%
Other Revenue	(151,088)	(113,283)	(662,970)	549,687	485.2%	(70,446)	(733,416)	582,328	385.4%
Transfers from Reserves	(291,850)	(218,871)	(1,366,933)	1,148,062	524.5%	(72,979)	(1,439,912)	1,148,062	393.4%
Total Revenue	(445,438)	(334,026)	(2,136,418)	1,802,392	539.6%	(143,725)	(2,280,143)	1,834,705	411.9%
Net Expenditure/(Revenue) before Indirect Allocation	11,207,034	8,841,861	8,965,938	(124,077)	(1.4%)	2,588,149	11,554,087	(347,053)	(3.1%)
Indirect Allocation									
Indirect Allocation	(8,539,526)	(6,763,826)	(6,929,433)	165,607	(2.4%)	(2,055,760)	(8,985,193)	445,667	(5.2%)
Capital Financing Allocation	98,415	50,260	44,913	5,347	10.6%	48,388	93,301	5,114	5.2%
Total Indirect Allocation	(8,441,111)	(6,713,566)	(6,884,520)	170,954	(2.5%)	(2,007,372)	(8,891,892)	450,781	(5.3%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 2,765,923	\$ 2,128,295	\$ 2,081,418	\$ 46,877	2.2%	\$ 580,777	\$ 2,662,195	\$ 103,728	3.8%

Corporate Administration - Statement of Operations

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Corporate Records, Corporate Memberships, Organizational Performance & Accountability, Corporate Print & Mail Services, Corporate Communications, Human Resources whose main focus in 2014 has been the general management of consolidation of business support functions (i.e. finance and performance measurement) and moving towards a One Team model for the corporation.

Q3 Project Updates/Accomplishments:

Organizational Change:

- Individuals previously working in departmental strategy performance measurement roles were consolidated into an objective Organizational Performance and Accountability team reporting to the CAO
- Worked in cooperation with Niagara Regional Housing (NRH) and Corporate Services on a shared service agreement
- Structural changes occurred in Planning and Development Services and Economic Development
- Organizational changes to encourage collaboration by reducing reliance on hierarchies and establishing a stretch target of 80 per cent employee engagement over the next five years (from 67 per cent)
- Developing a People Strategy to invest in people development and attract top talent externally which will allow us to obtain fresh perspectives, adapt better to challenges, and deliver on Council directions

Other:

- Heightening responsiveness to the needs of local area municipalities with all municipalities reporting positive change in the services provided from the Niagara Region over the past 12 months
- Maintenance of the privacy program including privacy breach management, mandatory training, and privacy impact assessments to purchasing process
- Redesign of new Provincial Offences Courthouses and completion of mandatory training to remain compliant with the Accessibility for Ontarians with Disabilities Act (AODA)
- Federation of Canadian Municipalities (FCM) conference ended in a surplus position, resulting in approximately \$100,000 returned to the City of Niagara Falls and \$100,000 transferred back to reserves

Variance Analysis

The following factors have contributed to Corporate Administration's third quarter variance:

Personnel costs: The year-to-date unfavourable variance of \$1,185,077 and forecasted variance of \$1,414,013 is due to the cost of corporate reorganization. These costs are offset by a reserve of \$1,000,000.

Administrative Expenses: The unfavourable variance of \$768,753 is largely a result of the FCM conference costs which are offset by Ontario/Canada Grants, Other Revenue, and Transfers from Reserves.

Ontario/Canada Grants: The favourable variances of \$100,000 for both year-to-date and forecasted are the result of funding received from the Province for the FCM conference, which offsets overage in Administrative Expenses.

Other Revenue: The favourable variance of \$549,687 is mainly a result of the FCM conference revenue which offsets overage in Administrative Expenses.

Transfers from Reserves: The favourable variance of \$1,148,062 includes the \$1,000,000 transferred from reserve to cover the costs of the corporate reorganization and \$148,062 from the FCM reserve.

Corporate Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 15,506,787	\$ 11,583,214	\$ 11,194,602	\$ 388,612	3.4%	\$ 3,802,352	\$ 14,996,954	\$ 509,833	3.3%
Administrative Expenses	435,056	332,515	231,961	100,554	30.2%	86,764	318,725	116,331	26.7%
Materials, Supplies & Utilities	2,028,011	1,513,672	1,249,785	263,887	17.4%	435,890	1,685,675	342,336	16.9%
Repairs & Maintenance	2,124,039	1,592,865	1,408,228	184,637	11.6%	569,830	1,978,058	145,981	6.9%
Purch. Serv. & Other Operating Expenses	6,622,253	4,970,153	4,934,167	35,986	0.7%	1,708,985	6,643,152	(20,899)	(0.3%)
Financial Expenditures	213,688	160,245	161,601	(1,356)	(0.8%)	51,466	213,067	621	0.3%
Capital Equipment & Renovations	27,943	21,422	39,227	(17,805)	(83.1%)	3,041	42,268	(14,325)	(51.3%)
Allocations Between Departments	(1,808,674)	(1,353,697)	(1,344,879)	(8,818)	0.7%	(460,815)	(1,805,694)	(2,980)	0.2%
Allocations to Capital Program	(838,045)	(628,538)	(481,320)	(147,218)	23.4%	(209,507)	(690,827)	(147,218)	17.6%
Total Gross Expenditure	24,311,058	18,191,851	17,393,372	798,479	4.4%	5,988,006	23,381,378	929,680	3.8%
Revenue									
Ontario/Canada Grants	(35,155)	(26,361)	(26,361)	-	-	(8,794)	(35,155)	-	-
Fees & Service Charges	(90,000)	(67,491)	(30,463)	(37,028)	(54.9%)	(55,300)	(85,763)	(4,237)	(4.7%)
Other Revenue	(437,635)	(328,212)	(351,644)	23,432	7.1%	(76,439)	(428,083)	(9,552)	(2.2%)
Transfers from Reserves	(101,365)	(76,014)	(76,014)	-	-	(25,351)	(101,365)	-	-
Total Revenue	(664,155)	(498,078)	(484,482)	(13,596)	(2.7%)	(165,884)	(650,366)	(13,789)	(2.1%)
Net Expenditure/(Revenue) before Indirect Allocation	23,646,903	17,693,773	16,908,890	784,883	4.4%	5,822,122	22,731,012	915,891	3.9%
Indirect Allocation									
Indirect Allocation	(23,646,903)	(17,692,851)	(16,908,888)	(783,963)	4.4%	(5,822,122)	(22,731,010)	(915,893)	3.9%
Total Indirect Allocation	(23,646,903)	(17,692,851)	(16,908,888)	(783,963)	4.4%	(5,822,122)	(22,731,010)	(915,893)	3.9%
Net Expenditure/(Revenue) after Indirect Allocation	\$ -	\$ 922	\$ 2	\$ 920	99.8%	\$ -	\$ 2	(2)	100.0%

Corporate Services - Statement of Operations

Community Impacts & Achievements

Corporate Service includes IT Solutions, Financial Management & Planning, Financial Management System Implementation, Legal Services, Properties Management and Commissioner's Office. The main focus in 2014 has been the general oversight for consolidation of business support functions (i.e. finance and performance measurement) and moving towards a One Team model for the corporation.

Q3 Project Updates/Accomplishments:

- Continued review and enhancement of the process and policies and received Council approval of revisions to the Purchasing by-law by the new Director of Procurement and Strategic Acquisitions
- Preparation and initial presentations of the 2015 Budget to the Budget Review Committee of the Whole in preparation for approval by the new Council in early 2015
- Continued progress on significant property acquisitions to facilitate the construction of the NRPS 1 District and two (2) Provincial Offences Courts (St Catharines and Welland)
- Full endorsement from Corporate Management Team on the selection and recruitment of the project team for the Enhanced Financial Management System

Variance Analysis

The following factors have contributed to Corporate Services third quarter variance with the majority of the year-to-date surplus coming from the Properties Management division:

Personnel Costs: The year-to-date favourable variance of \$388,612 (\$509,833 forecasted) relates to the delays in hiring of a number of high level positions in IT Solutions and Financial Management & Planning.

Administrative Expenses: The year to date favourable variance of \$100,554 (\$116,331 forecasted) relates to reduced training and conference attendance due to the timing of offerings and staff availability to attend due to workload constraints.

Materials, Supplies & Utilities: The year-to-date favourable variance of \$263,887 (\$342,336 forecasted) is driven by the difference in utility costs. Electricity rates were expected to increase 33 per cent to offset the Province's decision to cancel the gas plants construction contracts. The increases for electricity announced were 4.7 per cent May 1 and 3.7 per cent Nov 1. This rate change, together with a cooler wetter summer, resulted in a favourable variance.

Repairs & Maintenance: The year-to-date favourable variance of \$184,637 (\$145,981 forecasted) relates to lower than expected repairs.

Capital Equipment & Renovations: The year-to-date unfavourable variance of \$17,805 (\$14,325 forecasted) relates to the unanticipated computer equipment replacement to enable better mobility.

Allocations to Capital Program: The unfavourable variance of \$147,218 relates to time spent on broader program development. This reduces the time that can be recovered from specific capital projects.

Fees & Service Charges: The year-to-date unfavourable variance of \$37,028 (\$4,237 forecasted) is the result of the Region's inability to provide additional legal assistance to local area municipalities due to internal resource constraints and to the timing of invoicing for Geographic Information System hosting services which will be issued in Q4.

Other Revenue: The year-to-date unfavourable variance of \$5,536 (\$40,795 forecasted) is the result of a duplication of Shared Services Revenue budgeted in 2014. This was largely offset by Court Administration Management System annual invoices for support services issued and recognized in January and legal costs recovered where the Region has won litigation matters and the opposite party has been ordered to reimburse the Region for some of the legal costs it incurred. Neither additional revenue nor cost recovery are anticipated in Q4.

Community Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 88,248,308	\$ 66,070,320	\$ 66,220,530	\$ (150,210)	(0.2%)	\$ 22,873,160	\$ 89,093,690	\$ (845,382)	(1.0%)
Administrative Expenses	1,052,948	806,810	794,030	12,780	1.6%	295,191	1,089,221	(36,273)	(3.4%)
Materials, Supplies & Utilities	7,569,432	5,494,015	5,534,527	(40,512)	(0.7%)	2,088,374	7,622,901	(53,469)	(0.7%)
Repairs & Maintenance	1,023,021	741,504	693,458	48,046	6.5%	375,733	1,069,191	(46,170)	(4.5%)
Purch. Serv. & Other	39,686,531	29,852,456	29,810,784	41,672	0.1%	12,221,762	42,032,546	(2,346,015)	(5.9%)
Operating Expenses									
Social Assistance	106,889,082	80,166,681	72,435,867	7,730,814	9.6%	24,447,847	96,883,714	10,005,368	9.4%
Financial Expenditures	32,905	24,642	23,153	1,489	6.0%	6,800	29,953	2,952	9.0%
Capital Equipment & Renovations	469,771	319,444	310,000	9,444	3.0%	149,731	459,731	10,040	2.1%
Transfers to Reserves	396,025	297,009	297,009	-	-	99,016	396,025	-	-
Allocations Between Departments	914,449	692,139	714,349	(22,210)	(3.2%)	222,310	936,659	(22,210)	(2.4%)
Total Gross Expenditure	246,282,472	184,465,020	176,833,707	7,631,313	4.1%	62,779,924	239,613,631	6,668,841	2.7%
Revenue									
Ontario/Canada Grants	(189,428,543)	(142,087,880)	(135,249,738)	(6,838,142)	(4.8%)	(46,854,390)	(182,104,128)	(7,324,415)	(3.9%)
Fees & Service Charges	(23,243,915)	(17,432,721)	(18,057,824)	625,103	3.6%	(6,091,912)	(24,149,736)	905,821	3.9%
Other Revenue	(308,780)	(231,534)	(440,601)	209,067	90.3%	(69,154)	(509,755)	200,975	65.1%
Transfers from Reserves	(1,261,904)	(946,419)	(946,419)	-	-	(315,485)	(1,261,904)	-	-
Total Revenue	(214,243,142)	(160,698,554)	(154,694,582)	(6,003,972)	(3.7%)	(53,330,941)	(208,025,523)	(6,217,619)	(2.9%)
Net Expenditure/(Revenue) before Indirect Allocation	32,039,330	23,766,466	22,139,125	1,627,341	6.8%	9,448,983	31,588,108	451,222	1.4%
Indirect Allocation									
Indirect Allocation	8,228,853	6,262,383	6,102,546	159,837	2.6%	2,025,946	8,128,492	100,361	1.2%
Capital Financing Allocation	3,741,787	2,947,050	2,942,294	4,756	0.2%	814,499	3,756,793	(15,006)	(0.4%)
Total Indirect Allocation	11,970,640	9,209,433	9,044,840	164,593	1.8%	2,840,445	11,885,285	85,355	0.7%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 44,009,970	\$ 32,975,899	\$ 31,183,965	\$ 1,791,934	5.4%	\$ 12,289,428	\$ 43,473,393	\$ 536,577	1.2%

Community Services - Statement of Operations

Community Impacts & Achievements

Social Assistance and Employment Opportunities (SAEO)

- For August 2014, there were 10,561 Ontario Works cases representing 21,790 people, which is 0.07% lower than the caseload in August 2013.
- New Social Assistance Management System (SAMS) being implemented in November 2014.
- The Housing Stability Plan strategy assisted 487 households avoid eviction, provided 2,791 households with a last month rent deposit and helped 1,790 households move to new accommodations.
- SAEO assisted a major employer with recruitment for jobs at a plant by screening and recommending OW clients appropriate to the jobs, and coordinating with the Employment Ontario offices to recommend their clients (e.g. Niagara citizens in receipt of Employment Insurance). A total of 95 people were referred for these technical positions (35 from Ontario Works and 60 from Employment Ontario offices).
- Assisted a local major call centre employer to recruit 410 new employees (68 from the Ontario Works and the remainder from Employment Ontario offices), and continue to support. Since partnering with SAEO earlier this year, the company has successfully filled every one of their training programs. A second information event to support the employees to access local supports and services will be held in October.

Children Services

- After a review of best and promising practices, it was identified that the preschool Coordinated Approach To Child Health (CATCH) program is a promising tool to support Niagara Registered Early Childhood Educators with innovative health education information and approaches in four areas: physical activity, seed to table (gardening), nutrition, and music and movement and organized a pilot project running from February 2014 until April 2014. The overall conclusion of the pilot was a success and Children's Services will continue to implement the program over a number of years, with staff providing feedback based on their learning to inform future phases. Public Health has partnered with Children's Services to implement this innovation.
- General Operation Grants - Allocated just under \$4M in operating funding from the provincial government to the child care system. The Niagara child care system includes funding for 183 licensed non-profit and private child care centres which were the primary beneficiaries of this provincial funding allocation. The purpose of funding is to help stabilize the child care system and to enable high quality, consistent services, reduce fees charged to families, fund purchases of materials and equipment, and retain qualified stable staffing levels.

Homelessness, Program Compliance & Community Engagement

- A competitive proposal call (expression of interest) was issued for homelessness services to replace the Hope House shelter in Welland.
- At the end of September, the provincial government allocated time-limited, one-time funding of \$1.89M for the provincial homelessness program, requiring it to be fully spent by March 31, 2015. A plan was developed, including a competitive proposal call for homelessness services (expression of interest).
- Year-to-date, 1,168 issuances of emergency energy relief have been provided, 3,773 individuals have stayed at an emergency hostel, 365 individuals have resided in supported transitional housing, 4,718 individuals received prevention services.

Senior Services

- Injury prevention continues to be a priority focus. Ongoing strategies to support a safe and healthy workplace including safety talks, training, a centralized safety committee and safety champions have translated into positive outcomes. Lost Time Injuries/Illnesses are down 43% from 2013, MSD Lost Time Injuries are down 33%, Slip Trip Fall Lost Time Injuries are down 33% and Resident Responsive Behaviour Lost Time Incidents are down 57%.
- Seniors Services presented their quality framework based on the integration of financially and clinically based metrics at a Provincial E-Health Conference in Q2, and were subsequently asked to share their quality program at the Canadian Inter-RAI Conference in October.
- Five of the eight long-term care homes had unannounced Ministry of Health and Long-Term Care Resident Quality Inspections (RQI) in Q3 to ensure compliance with the Long-Term Care Act, and all homes received positive results.
- The Province mandated a wage increase for Personal Support Workers (PSWs) in the community (not in Long Term Care facilities), and this included municipal community PSWs. The wage increase of \$1.50/hour top up affected 11 staff, and is fully funded by the province.

Variance Analysis

The following factors have contributed to the Community Services' third quarter variance:

Personnel Costs: The unfavourable variance of \$150,210 is largely driven by an increase in nursing hours as a result of an increase in Ministry of Health and Long-Term Care (MOHLTC) funding (\$469,475), which is offset by favourable variances in SAEO (\$201,481) and Children's Services (\$145,738) related to delays in filling vacant positions. The unfavourable forecasted variance is \$845,382 and relates to the increase in nursing hours as a result of the increase in MOHLTC funding.

Social Assistance: The favourable variances of \$7,730,814 year-to-date and \$10,005,368 year-to-go are directly related to the Ontario Works caseloads and changing demands for allowances and benefits based on case mix. Expenditures fluctuate based on client participation in employment programs and demand for specific benefits.

Ontario/Canada Grants: The unfavourable year-to-date variance of \$6,838,142 and forecasted unfavourable variance of \$7,324,415 is a result of reduced Social Assistance expenditures incurred and is offset partially by the funding increase in MOHLTC funding of \$837,833. The reduced Social Assistance expenditures resulted in an unfavourable year-to-date variance of \$7,282,998 and forecasted variance of \$10,104,081.

Fee & Service Charges: The favourable variance is \$625,103, and of this, \$245,710 is a result of the amount of fees collected through parents across the 67 child care service providers and the five regionally operated centres. Since the amount a parent is able to contribute is based on the individual circumstance, it is included in the budget based purely on estimate. In addition, there was an increase to the long-term care home co-payment rate for accommodation fees set by the Province resulting in a surplus of \$379,393. The favourable forecasted variance is \$806,821 and is a result of the amount of fees collected through parents at the child care centres (\$402,250), as well as the increase to long-term care home resident accommodation fees (\$503,362).

Other Revenue: The favourable variances of \$209,067 year-to-date and \$200,975 year-to-go are a result of unbudgeted funding opportunities through the Ministry of Education, Ministry of Children and Youth Services and Business Education Council.

Public Health - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 63,448,806	\$ 47,184,425	\$ 47,477,888	\$ (293,463)	(0.6%)	\$ 16,314,683	\$ 63,792,571	\$ (343,765)	(0.5%)
Administrative Expenses	1,299,768	983,142	975,712	7,430	0.8%	351,564	1,327,276	(27,508)	(2.1%)
Materials, Supplies & Utilities	3,073,994	2,271,364	2,236,553	34,811	1.5%	844,450	3,081,003	(7,009)	(0.2%)
Repairs & Maintenance	736,200	548,667	589,119	(40,452)	(7.4%)	210,656	799,775	(63,575)	(8.6%)
Purch. Serv. & Other	3,664,899	2,746,768	2,911,070	(164,302)	(6.0%)	1,156,610	4,067,680	(402,781)	(11.0%)
Operating Expenses									
Capital Equipment & Renovations	375,835	284,219	580,599	(296,380)	(104.3%)	132,149	712,748	(336,913)	(89.6%)
Transfers to Reserves	1,192,560	894,420	894,420	-	-	298,140	1,192,560	-	-
Allocations Between Departments	1,151,263	863,505	912,371	(48,866)	(5.7%)	287,758	1,200,129	(48,866)	(4.2%)
Total Gross Expenditure	74,943,325	55,776,510	56,577,732	(801,222)	(1.4%)	19,596,010	76,173,742	(1,230,417)	(1.6%)
Revenue									
Ontario/Canada Grants	(53,060,930)	(39,772,731)	(39,666,615)	(106,116)	(0.3%)	(14,142,850)	(53,809,465)	748,535	1.4%
Fees & Service Charges	(399,754)	(299,741)	(260,824)	(38,917)	(13.0%)	(101,617)	(362,441)	(37,313)	(9.3%)
Other Revenue	(341,349)	(280,007)	(570,163)	290,156	103.6%	(28,921)	(599,084)	257,735	75.5%
Transfers from Reserves	(635,789)	(141,408)	(409,776)	268,368	189.8%	(494,381)	(904,157)	268,368	42.2%
Total Revenue	(54,437,822)	(40,493,887)	(40,907,378)	413,491	1.0%	(14,767,769)	(55,675,147)	1,237,325	2.3%
Net Expenditure/(Revenue) before Indirect Allocation	20,505,503	15,282,623	15,670,354	(387,731)	(2.5%)	4,828,241	20,498,595	6,908	0.0%
Indirect Allocation									
Indirect Allocation	7,279,331	5,590,750	5,487,069	103,681	1.9%	1,668,788	7,155,857	123,474	1.7%
Capital Financing Allocation	3,147,417	1,339,226	1,195,833	143,393	10.7%	1,814,121	3,009,954	137,463	4.4%
Total Indirect Allocation	10,426,748	6,929,976	6,682,902	247,074	3.6%	3,482,909	10,165,811	260,937	2.5%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 30,932,251	\$ 22,212,599	\$ 22,353,256	\$ (140,657)	(0.6%)	\$ 8,311,150	\$ 30,664,406	\$ 267,845	0.9%

Public Health - Statement of Operations

Community Impacts & Achievements

Q3 Project Update/Accomplishments:

- Efforts are underway to operationalize the resource enhancements approved at the end of Q2. 16 full time and 23 part time staff were hired in the Emergency Services division with training and resources to be deployed in mid November
- Successful recruitment of Clinical Advisors for the Omega Project. Training is to be completed by the end of October
- Submitted application to receive a one-time MOH grant as part of provincial program to study Community Paramedicine for a one year period
- EMS continued to sustain offload time targets in the hospitals through the offload nurse program. As a result, EMS was able to thereby reinvest these hours back into service "on the streets"
- Grand opening held at new Westwood Fleet Services. The new service will provide enhanced centralized fleet and supply services, and will assist in inventory management, turnaround time of ambulance deployment and cleaning
- Completed a review of the current Emergency Management model
- Completed 6 month pilot project of Dialectical Behaviour Therapy
- Working with Primary Care Engagement representative to ensure referral processes and forms are communicated to primary care
- Collaboration with Brock University to assess the potential impact of climate change on vector-borne disease and continuing development of mitigating strategies
- Working with the tanning bed industry to ensure a smooth implementation of provincial legislation regarding access to tanning beds by minors
- Award received from the Canadian Water and Wastewater Association recognizing Public Health's achievements in predictive modelling for beach water quality
- Smoke-Free Outdoor By-law implementation including enhanced communications, education and awareness of the campaign
- Expanded implementation of the Electronic Medical Records system to include the travel health clinic
- Preparations for the 2015 PanAm games are underway

Variance Analysis

The following factors have contributed to Public Health's third quarter variance:

Personnel Costs: The unfavourable variances of \$293,463 year-to-date and \$343,765 forecasted are primarily due to increased overtime associated with shift overrun, upstaffing, Ebola training, and sick/WSIB incidents in Emergency Services. Additional EMS resources, approved by council, are anticipated to reduce mitigate some of these costs.

Purchased Services & Other Operating Expenses: The unfavourable variance of \$182,373 year-to-date and \$426,346 forecasted are primarily due to the continuation of the Offload Nurse Program. The funding for the balance of the year will be similar to the funding received for the first quarter of 2014. A budget adjustment will be prepared for the funding announcement made in Q4 which will reduce the forecasted variance.

Capital Equipment & Renovations: The unfavourable variances of \$296,380 year-to-date and \$336,913 forecasted are the result of leasehold improvements and furniture purchases for the new EMS fleet centre. These purchases were offset by the positive variance in transfers from reserves noted below. Also contributing \$95,568 to this variance is a greater than anticipated number of computer replacements within public health.

Ontario/Canada Grants: The forecasted favourable variance of \$748,535 is due to unbudgeted Physician Services Agreement payments (\$250,000), unbudgeted one-time funding for Healthy Communities (\$50,000), and unbudgeted Offload Nurse funding (\$406,556). Offsetting this variance are unfavourable variances in Public Health expenditures.

Other Revenue: The favourable variance of \$290,156 year-to-date and \$257,735 forecasted are the results of a one-time budgeted program grant from the Registered Nurses Association of Ontario, secondment revenue for a nurse working at the Ministry of Health and Long-Term Care, and the recognition of deferred revenues in the Omega and Resuscitation Outcomes Consortium programs from 2013.

Transfers from Reserves: The favourable variance of \$268,368 is primarily driven by a \$218,140 transfer related to a 2013 encumbrance for the EMS fleet centre's leasehold improvements.

Planning & Development - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 3,414,108	\$ 2,565,531	\$ 2,443,790	\$ 121,741	4.7%	\$ 790,969	\$ 3,234,759	\$ 179,349	5.3%
Administrative Expenses	110,258	82,598	73,854	8,744	10.6%	41,173	115,027	(4,769)	(4.3%)
Materials, Supplies & Utilities	22,900	17,091	16,579	512	3.0%	7,045	23,624	(724)	(3.2%)
Repairs & Maintenance	2,000	1,476	471	1,005	68.1%	529	1,000	1,000	50.0%
Purch. Serv. & Other Operating Expenses	594,295	436,242	461,524	(25,282)	(5.8%)	367,007	828,531	(234,236)	(39.4%)
Financial Expenditures	2,220,000	265,002	56,457	208,545	78.7%	2,297,500	2,353,957	(133,957)	(6.0%)
Capital Equipment & Renovations	16,650	12,456	27,588	(15,132)	(121.5%)	322	27,910	(11,260)	(67.6%)
Allocations Between Departments	(939,401)	(704,545)	(694,761)	(9,784)	1.4%	(234,856)	(929,617)	(9,784)	1.0%
Total Gross Expenditure	5,440,810	2,675,851	2,385,502	290,349	10.9%	3,269,689	5,655,191	(214,381)	(3.9%)
Revenue									
Fees & Service Charges	(856,100)	(642,006)	(529,745)	(112,261)	(17.5%)	(188,351)	(718,096)	(138,004)	(16.1%)
Other Revenue	(12,500)	(9,369)	(6,071)	(3,298)	(35.2%)	(5,029)	(11,100)	(1,400)	(11.2%)
Transfers from Reserves	(1,929,222)	(134,415)	(599,847)	465,432	346.3%	(1,794,807)	(2,394,654)	465,432	24.1%
Total Revenue	(2,797,822)	(785,790)	(1,135,663)	349,873	44.5%	(1,988,187)	(3,123,850)	326,028	11.7%
Net Expenditure/(Revenue) before Indirect Allocation	2,642,988	1,890,061	1,249,839	640,222	33.9%	1,281,502	2,531,341	111,647	4.2%
Indirect Allocation									
Indirect Allocation	1,021,726	816,322	846,554	(30,232)	(3.7%)	219,185	1,065,739	(44,013)	(4.3%)
Capital Financing Allocation	611,444	302,058	246,381	55,677	18.4%	310,555	556,936	54,508	8.9%
Total Indirect Allocation	1,633,170	1,118,380	1,092,935	25,445	2.3%	529,740	1,622,675	10,495	0.6%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 4,276,158	\$ 3,008,441	\$ 2,342,774	\$ 665,667	22.1%	\$ 1,811,242	\$ 4,154,016	\$ 122,142	2.9%

Planning & Development - Statement of Operations

Community Impacts & Achievements

Department Overview: Planning & Development provides land use planning, growth management policy and implementation services, capacity planning, water and wastewater master planning, complex development engineering, legal agreements for development and growth infrastructure planning to the local area municipalities, Niagara Peninsula Conservation Authority (NPCA), development industry and other Regional departments. The department also provides Part 8 of the Ontario Building Code (regulation of outside sewage system) services to nine of the 12 local area municipalities through agreements, development planning and engineering, pre-consultation and application review, in cooperation with local area municipalities (LAM's), the development industry, other agencies and Regional departments.

2014 Significant Programs:

- Imagine Niagara (five year review of the Regional Official Plan and related amendments)
- Niagara Economic Gateway Zone and Smarter Niagara Incentives Programs
- Local official plan review and approval
- Procurement process to retain a consultant for the municipal comprehensive review

Q3 Project Update / Accomplishments:

- Consistently meeting the target of bringing local official plans to Regional Council for approval within 180 days. Average processing time remains constant at 115 days
- Continue to manage the Smarter Niagara Incentive Program (SNIP) and Tax Increment Grant Program (TIGP) - in Q1-Q3 the region has awarded SNIP grant funding to projects in seven of the 12 local municipalities. These projects included residential, building and facade-improvement, environmental assessment study and heritage restoration grants and triggered approximately \$468,000 in private investment with the Region committing approximately \$235,000. The Region awarded tax increment grant funding in Q1-Q3 of \$165,000. Budget dollars for these programs are included in the General Government department
- Continue to exceed residential intensification targets - a significant proportion of new growth and development is occurring where existing infrastructure and community facilities exist - this means efficient use of infrastructure/facilities, less cost for residents, and less urban sprawl and consumption of agricultural land
- Received notice that Growing Forward 2 application for funding for the Raw Water for Irrigation Study was not successful, therefore will not spend the \$50,000 budgeted for the Raw Water for Irrigation Project
- The Greater Niagara Circle Route Asset Management Plan and Source Water Protection Policy Development are well underway and will also be completed by Q4. The Waterfront Enhancement Strategy and the Imagine Niagara project are ongoing and will be completed in 2015
- 163 private sewage applications in Q3 versus 100 Q3 2013 (63 percent increase)
- 42 development engineering applications in Q3 versus 49 Q3 2013
- Significant increase in development planning pre-consultation (100 percent increase from 2013 Q3 to 2014 Q3)
- 51 percent increase in development services application volume 2013 Q3 to 2014 Q3
- 94 percent on time response to development applications
- Creation of three teams in development planning comprised of Senior Planner/Planner/technician with each team assigned to serve four municipalities. This will allow the teams to develop strong knowledge bases and encourages the development of strong working relationships with local area municipalities
- Alignment of development application review into one group to address the streamlining of business processes to ensure the right staff, at the right level, are empowered to make the decisions

Variance Analysis

The following factors have contributed to the Planning and Development Services third quarter variance:

Personnel Costs: The favourable variance of \$121,741 is the result of staffing movement as a part of the reorganization in addition to a vacant role in the infrastructure and engineering division.

Purch. Serv. & Other Operating Exp.: The forecasted unfavourable variance of \$234,236 is the result of work done in 2014 that was originally approved in 2013. These projects are being funded by a transfer from the encumbrance reserve of \$317,932. Also offsetting these prior year projects is a 2014 project related to Raw Water for Irrigation not going ahead (\$50,000).

Financial Expenditures: The favourable variance of \$208,545 reflects the receipt of the Watersmart grants. The forecasted unfavourable variance of \$133,957 includes both 2014 Watersmart grant commitments and commitments still outstanding from 2013. These projects are being funded by a transfer from the encumbrance reserve of \$137,500.

Fees & Service Charges: The unfavourable variance of \$112,261 is a result of not receiving any privately initiated policy plan amendments in the first three quarters of the year and the timing of the Ministry of Natural Resource Aggregate fees. The forecasted unfavourable variance is expected to continue to the end of the year.

Transfers from Reserves: The favourable variance of \$465,432 relates largely to encumbrances from 2013 of \$455,432 (\$317,932 relates to Purch. Serv. & Other Operating Exp. line and \$137,500 relates to Financial Expenditure line) and an unbudgeted transfer from the Greater Niagara Circle Route Reserve.

Public Works Levy - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 15,148,389	\$ 11,366,415	\$ 10,903,471	\$ 462,944	4.1%	\$ 3,855,447	\$ 14,758,918	\$ 389,471	2.6%
Administrative Expenses	1,118,408	838,611	663,449	175,162	20.9%	437,402	1,100,851	17,557	1.6%
Materials, Supplies & Utilities	6,581,120	5,019,039	4,632,724	386,315	7.7%	2,405,001	7,037,725	(456,605)	(6.9%)
Repairs & Maintenance	321,750	241,245	149,993	91,252	37.8%	104,000	253,993	67,757	21.1%
Purch. Serv. & Other	7,981,540	6,179,982	5,963,889	216,093	3.5%	2,616,217	8,580,106	(598,566)	(7.5%)
Operating Expenses									
Financial Expenditures	500,000	449,994	43,253	406,741	90.4%	97,000	140,253	359,747	71.9%
Capital Equipment & Renovations	106,314	79,704	75,289	4,415	5.5%	25,269	100,558	5,756	5.4%
Transfers to Reserves	1,873,582	1,405,179	1,405,179	-	-	468,403	1,873,582	-	-
Allocations Between Departments	(1,784,547)	(1,337,791)	(1,289,728)	(48,063)	3.6%	(446,756)	(1,736,484)	(48,063)	2.7%
Allocations to Capital Program	(1,119,599)	(839,691)	(1,140,796)	301,105	(35.9%)	(356,256)	(1,497,052)	377,453	(33.7%)
Total Gross Expenditure	30,726,957	23,402,687	21,406,723	1,995,964	8.9%	9,205,727	30,612,450	114,507	0.4%
Revenue									
Fees & Service Charges	(2,406,000)	(1,389,453)	(453,974)	(935,479)	(67.3%)	(2,037,880)	(2,491,854)	85,854	3.6%
Other Revenue	(764,000)	(572,976)	(774,686)	201,710	35.2%	(117,022)	(891,708)	127,708	16.7%
Transfers from Reserves	(1,028,165)	(746,111)	(1,000,691)	254,580	34.1%	84,733	(915,958)	(112,207)	(10.9%)
Total Revenue	(4,198,165)	(2,708,540)	(2,229,351)	(479,189)	(17.7%)	(2,070,169)	(4,299,520)	101,355	2.4%
Net Expenditure/(Revenue) before Indirect Allocation	26,528,792	20,694,147	19,177,372	1,516,775	7.3%	7,135,558	26,312,930	215,862	0.8%
Indirect Allocation									
Indirect Allocation	3,403,598	2,545,549	2,357,400	188,149	7.4%	880,106	3,237,506	166,092	4.9%
Capital Financing Allocation	20,988,459	11,034,767	11,231,516	(196,749)	(1.8%)	10,032,674	21,264,190	(275,731)	(1.3%)
Total Indirect Allocation	24,392,057	13,580,316	13,588,916	(8,600)	(0.1%)	10,912,780	24,501,696	(109,639)	(0.4%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 50,920,849	\$ 34,274,463	\$ 32,766,288	\$ 1,508,175	4.4%	\$ 18,048,338	\$ 50,814,626	\$ 106,223	0.2%

Public Works Levy - Statement of Operations

Community Impacts & Achievements

The Public Works Levy divisions include Public Works Commissioner's Office, Transportation Administration, Transportation Operations, Transportation Planning, Transportation Engineering, Fleet, Niagara Specialized Transit and Inter-municipal transit.

The Public Works Commissioner provides operational, strategic and financial support services in support of all of the departmental program areas, including the following rate programs: water, wastewater and waste management programs. Transportation Administration provides operational, strategic and financial support services in support of all of the transportation programs areas.

Transportation Operations is responsible for the operations and maintenance connected with Regional rights-of-way including roads, traffic systems, bridges, culverts, safety barriers, drainage systems, vegetation management, management information systems and communications systems.

Transportation Planning is responsible for short and long-term and strategic transportation planning for Niagara Region. The division works with departments and local municipal partners and is front facing for Regional Transportation Strategy Steering Committee (TSSC) and Regional Bicycling Committee (RNBC).

Transportation Engineering is responsible for the design and construction of the capital projects related to the regional road network. A combination of in-house and contract engineering, as well as public input from various stakeholders, is used to achieve a workable and functional regional road network.

Fleet Services provides and maintains Regional vehicles and equipment in order for operational divisions (Public Works, Corporate Services, and Public Health) to have the necessary equipment to perform services to the public.

Niagara Specialized Transit provides transportation to passengers across the region who are physically unable to board a conventional transit vehicle, or walk a distance of 175 metres. Inter-municipal transit connects employees to their jobs in other municipalities, provides alternative transportation modes for residents, and supports the environmental and health goals of Niagara Region.

2014 Significant Programs:

- The roads operations budget is primarily driven by the winter maintenance activities. Other significant activities include traffic systems, pavement surface, drainage, forestry, and communications etc.
- Transportation Services annual program
- Inter-municipal Transit Pilot program
- Traffic signals program
- Delivery of the Region's capital program for Transportation and Fleet

Q3 Project Updates/Accomplishments:

- Tender award and construction commencement of Burgoyne Bridge in St. Catharines
- Key driver for discussion with the local area municipalities related to the GO Rail advocacy
- M5 ongoing implementation
- Transportation Master Plan terms of reference under development
- Pan-Am Games local area plan in advanced stage of development

Variance Analysis

The following factors have contributed to the Public Works Levy third quarter variance:

Administrative Expenses: The favourable variance of \$175,162 is due to timing of expenditures, including annual traffic data collection contracts and operational costs paid to the Red Cross for Niagara Specialized Transit.

Materials, Supplies & Utilities: The favourable variance of \$386,315 is due to timing of signal maintenance work, which is to be completed in the fourth quarter. This is partially offset by overages for winter maintenance materials due to the harsh winter. Significant maintenance material costs will be realized in the fourth quarter as work is completed. In addition, significant costs will be incurred in the fourth quarter with the purchase of winter salt. The result is a projected year-end unfavourable variance of \$456,605.

Repairs & Maintenance: The favourable variance of \$91,252 is driven by the timing of ground and maintenance work at the patrol yards, which will occur in the latter part of the year. The variance is also attributable to lower than anticipated repairs on radio and paging equipment.

Purch. Serv. & Other Operating Expenses: The year-to-date favourable variance of \$216,093 is driven by the timing of invoices for Inter-municipal Transit services provided in September and emergency operational funds embedded within this category that have not yet been expended, in relation to bus failures. A projected year-end unfavourable variance of \$598,566 is expected when all inter-municipal transit invoices are received, road activities are completed, and when fourth quarter winter maintenance services are purchased. The harsh winter has contributed to the variance with increased deterioration to pavement surfaces and higher than anticipated winter maintenance costs.

Financial Expenditures: The favourable variance of \$406,741 is driven by the number of requests from local area municipalities for cost sharing related to bike lanes on non-regional roads, drainage assessments and storm sewers.

Allocations to Capital Program: The favourable variance of \$301,105 is driven by increased level of capital project work, resulting in higher allocations from operations to capital projects.

Fees & Service Charges: The unfavourable variance of \$935,479 relates to construction activities by staff on shared services not yet completed. A favourable year-end variance of \$86,000 is expected once all projects are completed.

Other Revenue: The favourable variance of \$201,710 is due to fleet disposal proceeds in excess of those budgeted.

Transfer from Reserves: The favourable variance of \$254,580 is due to encumbrances from previous years related to the Roads Safety Project, Master Plan Terms of Reference and Queenston Rd bike lane funding. An unfavourable year-end variance of \$112,207 is anticipated given lower than anticipated cost sharing with local area municipalities.

Economic Development - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 548,965	\$ 379,284	\$ 371,454	\$ 7,830	2.1%	\$ 162,511	\$ 533,965	\$ 15,000	2.7%
Administrative Expenses	61,500	46,125	43,467	2,658	5.8%	18,033	61,500	-	-
Materials, Supplies & Utilities	13,000	9,747	6,924	2,823	29.0%	2,700	9,624	3,376	26.0%
Purch. Serv. & Other Operating Expenses	930,000	697,500	452,509	244,991	35.1%	445,125	897,634	32,366	3.5%
Financial Expenditures	110,000	82,503	83,500	(997)	(1.2%)	26,500	110,000	-	-
Capital Equipment & Renovations	-	-	1,521	(1,521)	100.0%	-	1,521	(1,521)	100.0%
Allocations Between Departments	3,369	2,529	3,402	(873)	(34.5%)	840	4,242	(873)	(25.9%)
Total Gross Expenditure	1,666,834	1,217,688	962,777	254,911	20.9%	655,709	1,618,486	48,348	2.9%
Revenue									
Transfers from Reserves	-	-	(117,634)	117,634	100.0%	-	(117,634)	117,634	100.0%
Total Revenue	-	-	(117,634)	117,634	100.0%	-	(117,634)	117,634	100.0%
Net Expenditure/(Revenue) before Indirect Allocation	1,666,834	1,217,688	845,143	372,545	30.6%	655,709	1,500,852	165,982	10.0%
Indirect Allocation									
Indirect Allocation	246,958	192,305	155,945	36,360	18.9%	57,627	213,572	33,386	13.5%
Capital Financing Allocation	108,336	55,771	42,809	12,962	23.2%	52,795	95,604	12,732	11.8%
Total Indirect Allocation	355,294	248,076	198,754	49,322	19.9%	110,422	309,176	46,118	13.0%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 2,022,128	\$ 1,465,764	\$ 1,043,897	\$ 421,867	28.8%	\$ 766,131	\$ 1,810,028	\$ 212,100	10.5%

Economic Development - Statement of Operations

Community Impacts & Achievements

Division Overview - to promote Niagara on a global scale and to work in partnership with the region's 12 municipalities to provide effective, innovative services that encourage investment in and travel to the region, along with business support services to attract, maintain and increase jobs in Niagara. The department supports the retention and growth of existing companies and encourages new companies to relocate in Niagara.

2014 Priorities/Programs:

- Revitalize Team Niagara and Stronger CAO/EDO Partnerships/Investment Growth/Business Attraction/Innovation and Entrepreneurship/New and Expanded Partnerships

2014 Accomplishments:

- Building ED team/outreach to key stakeholders/build partnerships and networks/focus limited resources/develop realistic expectations/driving to results - jobs, investment, innovation, entrepreneurs;
- One-year contracts finalized with BioLinc (Brock), Innovate Niagara, District School Board of Niagara;
- One-year contract being finalized with Niagara College;
- Support Councils commitment to the Vineland Research Innovation Centre; and
- Support of the Regions efforts on the Go train service business case.

Variance Analysis

The following factors have contributed to Economic Development's third quarter variance:

Personnel Costs: The forecasted favourable variance of \$15,000 is a result of the Economic Research & Analysis Manager role being vacant for 8 weeks.

Purch. Serv. & Other Operating Exp.: The favourable variance of \$244,991 is actually \$362,625 when the transfer from the encumbrance reserve is considered (this represents encumbered budget dollars from previous year). The forecasted favourable variance is \$150,000 when the transfer from the encumbrance reserve is considered. Expected payments for Q4 relate to large funding commitments to BioLinc, Niagara College and Innovate Niagara.

Court Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 2,115,482	\$ 1,587,043	\$ 1,493,258	\$ 93,785	5.9%	\$ 511,934	\$ 2,005,192	\$ 110,290	5.2%
Administrative Expenses	42,929	35,832	33,601	2,231	6.2%	7,730	41,331	1,598	3.7%
Materials, Supplies & Utilities	77,130	58,392	67,598	(9,206)	(15.8%)	15,200	82,798	(5,668)	(7.3%)
Repairs & Maintenance	-	-	1,694	(1,694)	100.0%	150	1,844	(1,844)	100.0%
Purch. Serv. & Other Operating Expenses	3,751,416	2,801,118	2,856,729	(55,611)	(2.0%)	898,307	3,755,036	(3,620)	(0.1%)
Financial Expenditures	150,000	112,500	58,409	54,091	48.1%	41,250	99,659	50,341	33.6%
Capital Equipment & Renovations	21,982	16,479	9,516	6,963	42.3%	2,500	12,016	9,966	45.3%
Transfers to Reserves	1,000,000	749,997	749,997	-	-	250,003	1,000,000	-	-
Allocations Between Departments	11,155	8,361	7,663	698	8.3%	2,794	10,457	698	6.3%
Total Gross Expenditure	7,170,094	5,369,722	5,278,465	91,257	1.7%	1,729,868	7,008,333	161,761	2.3%
Revenue									
Other Revenue	(9,035,207)	(6,776,388)	(6,605,055)	(171,333)	(2.5%)	(2,053,000)	(8,658,055)	(377,152)	(4.2%)
Total Revenue	(9,035,207)	(6,776,388)	(6,605,055)	(171,333)	(2.5%)	(2,053,000)	(8,658,055)	(377,152)	(4.2%)
Net Expenditure/(Revenue) before Indirect Allocation	(1,865,113)	(1,406,666)	(1,326,590)	(80,076)	5.7%	(323,132)	(1,649,722)	(215,391)	11.5%
Indirect Allocation									
Indirect Allocation	822,867	617,288	670,513	(53,225)	(8.6%)	202,474	872,987	(50,120)	(6.1%)
Capital Financing Allocation	17,246	10,792	11,458	(666)	(6.2%)	6,471	17,929	(683)	(4.0%)
Total Indirect Allocation	840,113	628,080	681,971	(53,891)	(8.6%)	208,945	890,916	(50,803)	(6.0%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ (1,025,000)	\$ (778,586)	\$ (644,619)	\$ (133,967)	17.2%	\$ (114,187)	\$ (758,806)	\$ (266,194)	26.0%

Court Services - Statement of Operations

Community Impacts & Achievements

All of the major service indicators continue to fluctuate year-to-date compared to the same time period in 2013 (January to September). These include:

- Charges filed 11% decrease
- Courtroom utilization 13% decrease
- Matters set for Early Resolution 4% decrease
- Matters set for Trials 18% decrease
- Re-openings 17% increase
- Extensions for time to pay fines 28% increase

At the end of the third quarter, trials for Part 1 matters were being scheduled in 7.7 months, and Part 3 matters were being scheduled in 12.7 months.

A total of 5,669 Early Resolution meetings were held with 75% resolved, 14% withdrawn and 11% proceeding to trial. Early Resolution has had an impact on the decrease in courtroom hours, along with the 11% decrease in charges filed.

One year ago Court Services established new performance measures in Administration, Collections and Prosecutions. Performance results for these measures were as follows:

- Administration met their 10 day turnaround time for appeals 80% of the time;
- Voicemail messages were returned within one business day by: Administration 97% of the time; Collections 100% of the time; and Prosecutions 94% of the time;
- Collections reviewed the suspension list within the required timeline 100 % of the time;
- Collections provided payout statements within one business day 100% of the time;
- Prosecution provided disclosure within established timelines 98% of the time; and
- Prosecution reviewed charter applications within 5 days of the scheduled court appearance 100% of the time.

Court Services will continue to monitor these measures to ensure that targets are met and improved where they are not currently being met.

Variance Analysis

The following factors have contributed to the Court Services third quarter variance:

Personnel Costs: The favourable variance of \$93,785 year to date (\$110,290 forecasted) are the result of gaps in filling the project specialist position, a prosecutor position, backfilling the supervisor court administration position with existing staff, and a court clerk position on sick leave receiving 75% pay.

Materials, Supplies & Utilities: The unfavourable variance of \$9,206 year to date (\$5,668 forecasted) is the result of an increase in Business Forms due to the delay in implementing E-ticketing, and an increase in the cost of postage and utilities.

Purchased Serv & Other: The unfavourable year-to-date variance of \$55,611 is a result of: the need to replenish ticket stock; higher Victim Fine Surcharge (VFS) rates due to the receipt of larger fine payments; per diem prosecutors being utilized in the first half of the year to cover staff shortages; an increased use of interpreters; and delayed billing of lease costs for Fort Erie court from 2010-2014.

Financial Expenditures: The favourable variance of \$54,091 year to date (\$50,341 forecasted) is the result of a decrease in collection charges.

Other Revenue: The unfavourable variance of \$171,333 year-to-date (\$377,152 forecasted) is the result of: a decrease in Charges Filed, an increase in applications for extension of time to pay fines and an increase in delinquent fines.

Niagara Regional Housing (NRH) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 4,445,587	\$ 3,336,348	\$ 3,225,129	\$ 111,219	3.3%	\$ 1,179,873	\$ 4,405,002	\$ 40,585	0.9%
Administrative Expenses	247,224	185,409	153,779	31,630	17.1%	80,945	234,724	12,500	5.1%
Materials, Supplies & Utilities	5,536,937	3,939,475	3,555,539	383,936	9.7%	1,689,279	5,244,818	292,119	5.3%
Repairs & Maintenance	4,015,868	2,815,597	3,016,837	(201,240)	(7.1%)	1,299,031	4,315,868	(300,000)	(7.5%)
Purch. Serv. & Other	5,041,522	4,084,967	4,041,264	43,703	1.1%	1,001,994	5,043,258	(1,736)	(0.0%)
Operating Expenses									
Financial Expenditures	2,901,255	2,175,939	2,194,813	(18,874)	(0.9%)	706,442	2,901,255	-	-
Capital Equipment & Renovations	30,000	22,500	41,307	(18,807)	(83.6%)	3,123	44,430	(14,430)	(48.1%)
Housing Provider Subsidy & Supplements	29,223,771	21,917,826	21,652,880	264,946	1.2%	7,314,583	28,967,463	256,308	0.9%
Transfers to Reserves	581,974	436,482	436,482	-	-	145,492	581,974	-	-
Allocations Between Departments	563,160	420,383	419,951	432	0.1%	142,777	562,728	432	0.1%
Total Gross Expenditure	52,587,298	39,334,926	38,737,981	596,945	1.5%	13,563,539	52,301,520	285,778	0.5%
Revenue									
Ontario/Canada Grants	(12,252,136)	(9,189,090)	(9,112,276)	(76,814)	(0.8%)	(3,071,970)	(12,184,246)	(67,890)	(0.6%)
Other Revenue	(13,278,688)	(9,959,022)	(10,107,207)	148,185	1.5%	(3,283,825)	(13,391,032)	112,344	0.8%
Transfers from Reserves	(89,000)	(66,753)	(66,753)	-	-	(11,347)	(78,100)	(10,900)	(12.2%)
Total Revenue	(25,619,824)	(19,214,865)	(19,286,236)	71,371	0.4%	(6,367,142)	(25,653,378)	33,554	0.1%
Net Expenditure/(Revenue) before Indirect Allocation	26,967,474	20,120,061	19,451,745	668,316	3.3%	7,196,397	26,648,142	319,332	1.2%
Indirect Allocation									
Indirect Allocation	1,148,212	864,242	850,274	13,968	1.6%	294,670	1,144,944	3,268	0.3%
Capital Financing Allocation	2,364,460	1,578,064	1,539,139	38,925	2.5%	793,777	2,332,916	31,544	1.3%
Total Indirect Allocation	3,512,672	2,442,306	2,389,413	52,893	2.2%	1,088,447	3,477,860	34,812	1.0%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 30,480,146	\$ 22,562,367	\$ 21,841,158	\$ 721,209	3.2%	\$ 8,284,844	\$ 30,126,002	\$ 354,144	1.2%

Niagara Regional Housing (NRH) - Statement of Operations

Community Impacts & Achievements

NRH is responsible for direct ownership and management of a residential rental portfolio; the provision of subsidies to providers and private landlords; the management of the waiting list; and the delivery of any federal/provincial programs.

Owned Units

NRH provides property and asset management services for a portfolio of 2,758 units including 36 apartment buildings and over 900 townhouses/houses. These units are home to over 6,500 people. This portfolio represents 41% of the operating budget for building related expenses (maintenance, taxes, utilities etc.).

Rental Subsidy Programs – Housing Providers and Rent Supplement

Through rental subsidy programs with private landlords and non-profit/co-operative housing providers, an additional 5,000 units of affordable housing are available. The subsidies which account for 55% of the operating budget are calculated based on legislative requirements.

Affordable Housing Waiting List

NRH maintains the affordable housing waiting list for the region. The demand for housing declined 6% over the same quarter last year. This indicates that the continual increase in the wait list may be ending. At the end of the third quarter, 5,868 households were waiting for permanent subsidized accommodation while 183 received housing.

Ontario/Canada Grants

NRH receives time-limited funding under the "Investing in Affordable Housing (IAH)" program from the federal and provincial governments that provides affordable housing solutions for homeowners (renovation and down payment assistance) as well as assistance to applicants on the wait list (housing allowances). This funding has also been used to develop over 600 new affordable housing units.

Variance Analysis

The following factors have contributed to the Niagara Regional Housing's third quarter variance:

Personnel Costs: The favourable quarterly variance of \$111,219 is due to staggered filling of new positions. The forecasted favourable variance is estimated to be approximately \$40,585 after an employee entitlement payout.

Administrative Expenses: The favourable quarterly variance of \$31,630 is due to the timing of expenses related to a conference which will be incurred later in the year. NRH is forecasting a year-end favourable position of \$12,500 due to less than expected costs within Community Support Programs.

Materials, Supplies and Utilities: The favourable quarterly variance of \$383,936 is due to favourable weather conditions and gas rates which did not increase as expected. NRH is projecting a favourable year-end variance of \$292,119.

Repairs and Maintenance: The unfavourable variance of \$201,240 is due to increased demand for repairs to the owned units as they become older. The forecasted unfavourable variance of \$300,000 is driven by this increased demand along with the increased contractor costs.

Capital Equipment & Renovations: The year-to-date unfavourable variance of \$18,807 and the forecasted unfavourable variance of \$14,430 is due to one-time costs such as office renovations and new computers.

Housing Provider Subsidy & Supplements: The year-to-date favourable variance of \$264,946 is due to the timing of payments to the housing providers based on receiving their year-end reconciliations. The favourable variance can also be attributed to favourable mortgage renewals of Federal housing providers. NRH is projecting a favourable year-end variance of \$256,308.

Other Revenue: The favourable year-to-date variance of \$148,185 is a result of unexpected funding received for the Community Homelessness Prevention Initiative (CHPI) and funds received from Enbridge to compensate for an unexpected issue occurring in 2012.

Niagara Regional Police Service - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Personnel Costs	\$ 130,232,057	\$ 96,263,118	\$ 96,130,817	\$ 132,301	0.1%	\$ 33,951,240	\$ 130,082,057	\$ 150,000	0.1%
Administrative Expenses	1,672,821	1,253,711	975,814	277,897	22.2%	497,007	1,472,821	200,000	12.0%
Materials, Supplies & Utilities	4,934,450	3,700,037	3,793,805	(93,768)	(2.5%)	1,058,638	4,852,443	82,007	1.7%
Repairs & Maintenance	2,267,649	1,700,501	1,652,005	48,496	2.9%	565,644	2,217,649	50,000	2.2%
Purch. Serv. & Other	2,841,281	2,130,855	1,946,881	183,974	8.6%	744,400	2,691,281	150,000	5.3%
Operating Expenses									
Financial Expenditures	4,000	2,997	5,553	(2,556)	(85.3%)	398,447	404,000	(400,000)	(10,000.0%)
Capital Equipment & Renovations	425,000	318,732	154,396	164,336	51.6%	220,604	375,000	50,000	11.8%
Transfers to Reserves	4,782,715	4,782,715	4,782,715	-	-	-	4,782,715	-	-
Allocations Between Departments	(1,054,501)	(790,879)	(808,872)	17,993	(2.3%)	(263,622)	(1,072,494)	17,993	(1.7%)
Total Gross Expenditure	146,105,472	109,361,787	108,633,114	728,673	0.7%	37,172,358	145,805,472	300,000	0.2%
Revenue									
Ontario/Canada Grants	(5,971,132)	(4,478,346)	(4,478,349)	3	0.0%	(1,492,783)	(5,971,132)	-	-
Fees & Service Charges	(7,023,988)	(5,267,973)	(5,830,008)	562,035	10.7%	(1,473,980)	(7,303,988)	280,000	4.0%
Other Revenue	(1,694,085)	(1,270,534)	(1,712,703)	442,169	34.8%	33,618	(1,679,085)	(15,000)	(0.9%)
Transfers from Reserves	(700,000)	(700,000)	(700,000)	-	-	-	(700,000)	-	-
Total Revenue	(15,389,205)	(11,716,853)	(12,721,060)	1,004,207	8.6%	(2,933,145)	(15,654,205)	265,000	1.7%
Net Expenditure/(Revenue) before Indirect Allocation	130,716,267	97,644,934	95,912,054	1,732,880	1.8%	34,239,213	130,151,267	565,000	0.4%
Indirect Allocation									
Indirect Allocation	5,291,081	3,969,419	3,551,176	418,243	10.5%	1,370,876	4,922,052	369,029	7.0%
Capital Financing Allocation	6,253,840	2,885,795	2,854,381	31,414	1.1%	3,379,041	6,233,422	20,418	0.3%
Total Indirect Allocation	11,544,921	6,855,214	6,405,557	449,657	6.6%	4,749,917	11,155,474	389,447	3.4%
Net Expenditure/(Revenue) after Indirect Allocation	\$ 142,261,188	\$ 104,500,148	\$ 102,317,611	\$ 2,182,537	2.1%	\$ 38,989,130	\$ 141,306,741	\$ 954,447	0.7%

Niagara Regional Police Service - Statement of Operations
Community Impacts & Achievements

Full details are available in the Service Report to the Police Service Board (PSB) received by the Board on October 23, 2014. A copy has been submitted to the Region. The year to date actuals presented in the PSB Report show minor variances from the Regional information. This is a result of regional transactions posted subsequent to the NRPS month end close deadline.

Variance Analysis

At the meeting of the Police Service Board on October 23, 2014 the Board received the financial variance and year-end forecast for the period ended September 30, 2014. As at September 30, 2014, total Gross Expenditures were \$728,673 less and Revenues were \$1,004,207 more than total approved, resulting in a net expenditure before indirect allocations surplus of \$1,732,880. The variance is primarily a result of timing of expenditures and ongoing rationalization of discretionary spending. In addition, gross revenues continue to exceed budget mainly due to Special Duty revenues. Our current favourable position is expected to continue to the end of the year resulting in a surplus of \$565,000.

Niagara Peninsula Conservation Authority - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	YTD Variance (%)	Year To Go Forecast (Oct to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)	Forecast Variance (%)
Gross Expenditure									
Financial Expenditures	\$ 7,226,840	\$ 7,226,840	\$ 7,226,840	\$ -	-	\$ -	\$ 7,226,840	\$ -	-
Total Gross Expenditure	7,226,840	7,226,840	7,226,840	-	-	-	7,226,840	-	-
Revenue									
Other Revenue	(169,626)	(127,224)	(119,036)	(8,188)	(6.4%)	(64,439)	(183,475)	13,849	8.2%
Transfers from Reserves	(300,000)	-	-	-	100.0%	(300,000)	(300,000)	-	-
Total Revenue	(469,626)	(127,224)	(119,036)	(8,188)	(6.4%)	(364,439)	(483,475)	13,849	2.9%
Net Expenditure/(Revenue) before Indirect Allocation	6,757,214	7,099,616	7,107,804	(8,188)	(0.1%)	(364,439)	6,743,365	13,849	0.2%
Indirect Allocation									
Indirect Allocation	146,638	110,012	125,763	(15,751)	(14.3%)	32,051	157,814	(11,176)	(7.6%)
Capital Financing Allocation	22,988	14,385	17,034	(2,649)	(18.4%)	8,627	25,661	(2,673)	(11.6%)
Total Indirect Allocation	169,626	124,397	142,797	(18,400)	(14.8%)	40,678	183,475	(13,849)	(8.2%)
Net Expenditure/(Revenue) after Indirect Allocation	\$ 6,926,840	\$ 7,224,013	\$ 7,250,601	\$ (26,588)	(0.4%)	\$ (323,761)	\$ 6,926,840	\$ -	-

Niagara Peninsula Conservation Authority - Statement of Operations

Community Impacts & Achievements

NPCA is a separate corporation that receives funding from the Niagara Region. The above summary shows the grant that the Niagara Region provides the NPCA and not their operating results.

Variance Analysis

The following factors have contributed to NPCA's third quarter variance:

Financial Expenditures: The \$NIL variance is a result of the NPCA receiving all of their annual funding as planned.

Other Revenue: The unfavourable variance of \$8,188 is driven by a timing delay in the recovery billings versus the recognition of the costs of Indirect Allocations and Capital Financing Allocation costs. The forecasted favourable variance of \$13,849 is expected as a result of catchup billings that will occur in the fourth quarter of the year.

Transfers from Reserves: NPCA requested \$300,000 in funding for water related activities and this will be provided through the water operations capital works reserve.

Reserve Summary

Description	Balances at December 31, 2013	Year to Date Net Transfers from/to) Operating (Jan-Sep)	Year to Date Capital Transfers	Balances at September 30, 2014	Reserve Rationalization **	Net Transfers Forecast from/to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2014
NRPS LTA Financing	\$ 912,332	\$ 1,470,383	\$ -	\$ 2,382,715	\$ -	\$ -	\$ -	\$ 2,382,715
Ambulance Communication	1,622,866	-	-	1,622,866	-	-	-	1,622,866
Chemical, Biological, Radiological, Nuclear (CBRN) Emergency Response Team	322,816	39,609	-	362,425	(375,628)	13,203	-	-
Ambulance Replacement	1,412,565	844,083	-	2,256,648	(2,538,009)	281,361	-	-
Niagara Regional Housing	9,448,931	-	-	9,448,931	-	-	-	9,448,931
Fleet Equipment Replacement	3,725,287	1,318,185	(1,976,191)	3,067,281	(3,506,678)	439,397	-	-
Police Vehicle and Equipment Replacement	192,591	1,400,000	(1,400,000)	192,591	-	-	-	192,591
Welland Canal Crossings	141,695	-	(141,695)	-	-	-	-	-
NRH Owned Units	2,248,819	387,729	(521,259)	2,115,289	-	140,145	-	2,255,434
Corporate Employee Recognition Team (CERT)	327,359	(31,383)	-	295,976	(285,509)	(10,467)	-	-
PW Field Admin. Equip. Replacement	4,752	86,994	(100,000)	(8,254)	(20,752)	29,006	-	-
Senior Capital	2,017,079	297,009	(500,000)	1,814,088	(1,913,104)	99,016	-	-
Public Health	302,742	(76,320)	-	226,422	(217,942)	(8,480)	-	-
Social Assistance	7,985,622	(946,419)	-	7,039,203	(6,723,718)	(315,485)	-	-
Childrens Services	700,341	-	-	700,341	(700,341)	-	-	-
NRH Rent Supplements	390,425	(18,000)	-	372,425	-	(6,000)	-	366,425
Police Contingency	486,029	-	-	486,029	-	-	-	486,029
Police Services Board Contingency	141,598	-	-	141,598	-	-	-	141,598
Smart Growth	2,152,804	(59,418)	-	2,093,386	-	(2,093,386)	-	-
Fire Co-ordinator	98,439	10,728	-	109,167	(112,743)	3,576	-	-
Court Services Facility Renewal	2,665,133	749,997	(2,000,000)	1,415,130	-	250,003	(1,650,000)	15,133
Police Capital Levy	1,342,930	1,000,000	(1,376,577)	966,353	-	-	(150,000)	816,353
General Capital Levy	6,880,393	9,148,895	(19,287,549)	(3,258,261)	10,334,374	11,366,355	(980,000)	17,462,468
Public Health Vehicles & Equipment	366,040	(31,500)	-	334,540	(324,040)	(10,500)	-	-
Specialized Transit Equipment	170,739	-	-	170,739	(170,739)	-	-	-
Total Department/Program Specific Reserves	46,060,328	15,590,572	(27,303,271)	34,347,629	(6,554,829)	10,177,744	(2,780,000)	35,190,544

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

** See approved Reserve Rationalization report for full details (CSD 48-2014)

Note: Reserve balances above do not include any transfers that may occur as a result of 2014 surplus/deficit identified throughout this booklet.

Reserve Summary (continued)

Description	Balances at December 31, 2013	Year to Date Net Transfers from/(to) Operating (Jan-Sep)	Year to Date Capital Transfers	Balances at September 30, 2014	Reserve Rationalization **	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2014
Police Accumulated Sick Leave	\$ 3,828,440	\$ (700,000)	\$ -	\$ 3,128,440	\$ -	\$ -	\$ -	\$ 3,128,440
Future Benefit Costs	9,147,694	-	-	9,147,694	16,347,414	-	-	25,495,108
WSIB	14,087,980	-	-	14,087,980	(14,087,980)	-	-	-
Accumulated Sick Leave	2,509,434	(187,488)	-	2,321,946	(2,259,434)	(62,512)	-	-
NRH Employee future benefits	792,733	-	-	792,733	-	-	-	792,733
Police Future Benefit Cost	2,940,402	912,332	-	3,852,734	-	-	-	3,852,734
Police WSIB	2,669,590	-	-	2,669,590	-	-	-	2,669,590
Sub-total Employee Benefit Reserves	35,976,272	24,844	-	36,001,116	-	(62,512)	-	35,938,604
Investment Income Stabilization	1,162,972	-	-	1,162,972	-	1,202,607	-	2,365,579
Tax Write off Stabilization	5,000,000	-	-	5,000,000	(5,000,000)	-	-	-
Self Insurance	2,403,184	(71,244)	-	2,331,940	-	(23,756)	-	2,308,184
Contingency	9,073,583	145,379	-	9,218,962	(9,145,972)	(72,990)	-	-
Improvement Initiatives	1,621,709	(696,250)	-	925,459	(1,026,709)	101,250	-	-
Taxpayer Relief	5,034,811	(1,724,900)	-	3,309,911	27,317,313	-	-	30,627,224
Total Corporate Stabilization Reserves	60,272,531	(2,322,171)	-	57,950,360	12,144,632	1,144,599	-	71,239,591

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

** See approved Reserve Rationalization report for full details (CSD 48-2014)

Note: Reserve balances above do not include any transfers that may occur as a result of 2014 surplus/deficit identified throughout this booklet.

Reserve Summary (continued)

Description	Balances at December 31, 2013	Year to Date Net Transfers from/to) Operating (Jan-Sep)	Year to Date Capital Transfers	Balances at September 30, 2014	Reserve Rationalization **	Net Transfers Forecast from/to) Operating (Oct-Dec)	Capital Commitments *	Balance Available at December 31, 2014
Health Unit Wallington	\$ 44,778	\$ (33,588)	\$ -	\$ 11,190	\$ -	\$ (11,190)	\$ -	-
Total Regional Donation Reserves	44,778	(33,588)	-	11,190	-	(11,190)	-	-
FCM Reserve	350,000	(148,062)	-	201,938	-	-	-	201,938
Circle Route Initiatives	1,482,681	(84,997)	-	1,397,684	(1,372,681)	(25,003)	-	-
Police Ontario Police Video Training Alliance	51,250	-	-	51,250	-	-	-	51,250
Encumbrance	2,523,042	(2,523,042)	-	-	-	-	-	-
Hospital Contribution	(13,772,117)	115,531	-	(13,656,586)	-	199,195	-	(13,457,391)
Land Ambulance Severance	4,681,333	-	-	4,681,333	(4,217,122)	(464,211)	-	-
Total Regional Commitments Reserves	(4,683,811)	(2,640,570)	-	(7,324,381)	(5,589,803)	(290,019)	-	(13,204,203)
Wastewater Operating	4,971,555	-	-	4,971,555	-	33,801	-	5,005,356
Water Operating	4,766,998	(562,500)	-	4,204,498	-	(157,639)	-	4,046,859
Wastewater Capital	55,935,324	15,759,936	(25,115,928)	46,579,333	-	5,614,291	(1,580,000)	50,613,623
Water Capital	74,074,988	14,353,317	(29,802,917)	58,625,388	-	4,949,091	(500,000)	63,074,479
Waste Management	17,404,401	588,024	(1,631,937)	16,360,488	-	306,546	(1,445,000)	15,222,034
Total Rate Supported Reserves	157,153,266	50,138,777	(56,550,782)	150,741,261	-	10,746,089	(3,525,000)	137,962,350
Total (Excluding Deferred Revenues)	\$ 258,847,093	\$ 40,733,020	\$ (83,854,053)	\$ 215,726,060	\$ -	\$ 21,767,223	\$ (6,305,000)	\$ 231,188,282

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

** See approved Reserve Rationalization report for full details (CSD 48-2014)

Note: Reserve balances above do not include any transfers that may occur as a result of 2014 surplus/deficit identified throughout this booklet.

Deferred Revenues (Development Charges & Gas Tax Reserve Funds)

Description	Balances at December 31, 2013	Year to Date Net Transfers from/(to) Operating (Jan-Sep)	Year to Date Capital Transfers	Balances at September 30, 2014	Reserve Rationalization **	Net Transfers Forecast from/(to) Operating (Oct-Dec)	Capital Commitments *	Forecast Balance at December 31, 2014
Development Charges-General Government	\$ 603,447	\$ 114,835	\$ -	\$ 718,282	\$ -	\$ 8,011	\$ (40,000)	\$ 686,292
Development Charges-Police Services	694,537	373,610	-	1,068,147	-	11,017	-	1,079,164
Development Charges-Roads	17,314,896	7,131,804	(2,466,609)	21,980,091	-	125,042	(15,262,843)	6,842,290
Development Charges-Sewer	16,880,948	4,404,405	(227,186)	21,058,167	-	145,029	(14,734,507)	6,468,688
Development Charges-Water	13,769,137	1,290,578	(60,207)	14,999,507	-	165,633	(2,267,431)	12,897,709
Development Charges-Emergency Medical	254,253	96,429	-	350,682	-	3,781	-	354,463
Federal Gas Tax	16,584,206	6,590,417	(11,094,942)	12,079,681	-	6,351,257	(17,635,104)	795,834
Provincial Gas Tax	679,189	117,090	-	796,279	-	(73,333)	-	722,946
Total	\$ 66,780,613	\$ 20,119,168	\$ (13,848,944)	\$ 73,050,836	\$ -	\$ 6,736,435	\$ (49,939,885)	\$ 29,847,386

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal/provincial gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

** See approved Reserve Rationalization report for full details (CSD 48-2014)

Note: Reserve balances above do not include any transfers that may occur as a result of 2014 surplus/deficit identified throughout this booklet.

Development Charge Revenues

Gross Development Charge Revenues
Less: Discretionary exemptions (Forgone Revenue)
Net Development Charge Revenues *

2013 Actuals	2014 Jan - Sep
32,246,253	14,647,141
(10,480,276) 32.5%	(2,112,883) 14.4%
<u>21,765,977 67.5%</u>	<u>12,534,258 85.6%</u>

* Development charge revenues are deposited to the reserve funds above.

Operating Reserve Transfer Reconciliation

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a Reserve Fund from an outside source (i.e. development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Council approved net operating transfers to reserves	\$	71,829,578	
Less: Deferred revenue type reserve transfers		<u>(600,174)</u>	
Total planned net operating transfers to reserves		70,429,404	
Additional operating reserve transfers to/(from) reserves:			
Land Ambulance Severance	(464,211)		To adjust budget to fund two 24hr ambulance crews and two operations supervisors effective 2014 from the Land Ambulance Severance Reserve due to the timing of Ministry funding applications (PHSSC(C) 35-2014).
General Capital Levy Reserve	(1,750,000)		To allocate funding source for Lakefront Enhancement Strategy Incentive Program (ZPL1401) as per CSD84-2014.
Contingency	120,389		To allocate excess budgeted pay for performance increases to the contingency reserve.
FCM Reserve	101,938		To allocate funding for FCM conference. (FCM FN 1-2014). Budgeted transfer was \$ 250,000 and the actual transfer was \$ 148,062 for a Net of \$ 101,938.
Circle Route Initiatives Reserve	(10,000)		Allocation of funding to install signage on the Greater Niagara Circle Route (GNCRC 3-2014)
Encumbrances Reserve	(2,523,042)		2013 Encumbrances established in accordance with Council report DF86-179 (CSD 14-2014)
Improvement Initiatives Reserve	<u>(1,000,000)</u>	(5,524,926)	Allocation of funding source as directed by Regional Council
Forecasted operating transfers to/(from) reserves (to be approved in the year-end transfer report):			
General Capital Levy Reserve	67,240		Proceeds on surplus properties goes to general capital levy reserve. Adjustment to match forecasted proceeds
General Capital Levy Reserve	366,787		Reduction of anticipated expenditures related to drainage assessment, storm sewer and bike lane cost sharing have reduced the anticipated contribution from the capital levy reserve.
NRH Owned Units Reserve	10,900		Reduction in forecasted draws from reserve due to less than expected expenditures in Community Programs.
Investment Income Stabilization Reserve	1,575,908		Difference between budget and amount outlined in the stabilization transfer schedule (CSD 137-2012)
General Capital Levy Reserve	(2,351,488)		Offset of the debt charge placeholder to match forecasted debt costs
Smart Growth Reserve	<u>(2,073,582)</u>	(2,404,235)	Balance of Smart Growth Reserve used to fund Smarter Niagara Incentive Project
Net operating transfers to reserves	\$	<u>62,500,243</u>	

Capital Reserve Transfer Reconciliation

All transfers to and from Reserves and Reserve Funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a reserve fund from an outside source (i.e. development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Uninitiated 2013 Capital Budget Items (Capital Commitments) at Dec. 31, 2013		\$ 4,812,530
2014 Council Approved Capital Budget	133,057,270	
Less: Deferred Revenues type Reserve Fund Transfers	<u>(31,362,500)</u>	101,694,770
Total Planned Capital Reserve Transfers		106,507,300
Unused Capital Reserve Funding Transferred back to Reserve per CSD 03-2014:		
Fleet Equipment Replacement	4,252	
Fleet Equipment Replacement	145	
Fleet Equipment Replacement	(317,862)	
Wastewater Capital	(874,509)	
Water Capital	(815,888)	
General Capital Levy - Roads	(200,000)	
General Capital Levy - General Government	(350,000)	
General Capital Levy - Public Works Levy	<u>(4,390,891)</u>	(6,744,842)
Unused Capital Reserve Funding Transferred back to Reserve per CSD 29-2014:		
Fleet Equipment Replacement	(383,345)	
Sewage Operations Capital Works	(4,128,283)	
Water Capital	(2,584,200)	
NRHI Owned Units	4,285	
General Capital Levy - Planning	(350,000)	
Waste Management	<u>(951,501)</u>	(8,403,134)
Unused Capital Reserve Funding Transferred back to Reserve per CSD 49-2014:		
Sewage Operations Capital Works	(129,524)	
Waste Management	(1,811,471)	
General Capital Levy - Public Works Levy	(517,685)	
Water Operations Capital Works	<u>(499,995)</u>	(2,958,675)
Unused Capital Reserve Funding Transferred back to Reserve per CSD 84-2014:		
General Capital Levy - Planning		1,934,940
Unused Capital Reserve Funding Transferred back to Reserve per CSD 89-2014:		
General Capital Levy - General Government		(500,000)
General Capital Levy - Debt substitution per CSD 107-2013		<u>323,455</u>
Total Forecasted Capital Reserve Transfers	\$	90,159,053

Capital Summary

The Corporate Services department develops the Capital Affordability Strategy, the Capital Financing Strategy and Capital Budget guidelines in co-ordination with department and board input and in alignment with Council objectives and corporate policies. The Corporate Services department is responsible for the following:

- preparing the consolidated capital budget and forecast based on the requests of departments and boards;
- co-ordinating capital initiations, financing, closure and budget reduction of capital projects approvals and reporting;
- supporting tangible capital asset accounting in accordance with the Capital Asset Management Policy; and
- reporting on the consolidated activity of the capital program.

The capital budget represents priority projects as determined by the departments and boards and approved by Council. Following capital budget approval, projects are initiated based on department requirements and timing to complete projects. Project managers within departments and boards administer the projects and maintain the related tangible capital asset information. Project managers are accountable for monitoring the capital projects within the capital program and taking corrective action, when necessary, including both reporting on significant variances as well as taking part in the capital closure and budget reduction of capital projects process.

Capital Budget Reconciliation

The capital budget managed by Niagara Region has increased by \$125.3 million since 2013 year-end. The increase is primarily due to the approval of the 2014 capital budget (\$220.0 million), and is offset by \$66.3 million in approved closure and budget reduction of capital projects and \$42.4 million in known budget reductions not yet approved. \$38.7 million of total budgets, relating to 14 capital projects, remain uninitiated at September 30 (Levy \$35.2 million and Rate \$3.5 million). A summary of the levy and rate impact of Niagara Regions total capital budget during the year is presented below:

Capital Budget Reconciliation	Levy Programs	Rate Programs	Total Budget (Including CVR)
2013 Total Budget at December 31, 2013 (as reported)	\$ 524,607,645	\$ 253,878,903	\$ 778,486,548
Capital Variance Reserve and Project Adjustments	8,734,180	(802,155)	7,932,025
2013 Total Budget (Including Capital Variance Reserves - CVR) at December 31, 2013	533,341,825	253,076,748	786,418,573
Increased to Capital Budget with approved funding sources:			
Council Approved 2014 Budget	111,865,911	108,160,000	220,025,911
Gross Budget Adjustments	833,434	692,160	1,525,594
Total Increased to Capital with approved funding sources	112,699,345	108,852,160	221,551,505
Increase to Capital Budget using Project Reserves:			
Capital Variance Reserves	3,623,172	972,115	4,595,287
Total Increase to Capital Budget using Project Reserves	3,623,172	972,115	4,595,287
Approved Closure and Budget Reduction of Capital Projects:			
CSD 03-2014 Closure and Budget Reduction of Capital Projects	(17,161,995)	(6,915,000)	(24,076,995)
CSD 29-2014 Closure and Budget Reduction of Capital Projects	(8,969,744)	(17,182,049)	(26,151,793)
CSD 49-2014 Response to Council Information Request and Closure of Capital projects	(11,018,455)	(3,075,485)	(14,093,940)
CSD 65-2014 Niagara Regional Police Voice Radio System Contract Award	(2,000,000)	-	(2,000,000)
Total Approved Closure and Budget Reduction of Capital Projects	(39,150,194)	(27,172,534)	(66,322,728)
2014 Total Budget (Including CVR) at September 30, 2014	610,514,148	335,728,489	946,242,637
Known budget reductions not yet approved at September 30, 2014	(24,319,047)	(18,099,856)	(42,418,903)
2014 Total Adjusted Budget (Including CVR) at September 30, 2014	\$ 586,195,101	\$ 317,628,633	\$ 903,823,734

Capital Project Summary

Once a project is initiated, multiple sub-projects may be set-up to manage the overall project. Illustrated below is the \$903.8 million capital budget managed by Niagara Region, representing 713 sub-projects, total capital spending to date of \$409.3 million and budget remaining of \$494.5 million. This chart represents (in aggregate), currently active and uninitiated sub-projects managed by Niagara Region. Capital project detail for 82 sub-projects with remaining budgets greater than \$1 million are discussed on subsequent pages.

Departments and Boards	Total Budget	Capital Variance Reserves (CVR)	Total Budget (Including CVR)	Project-to-date Actuals	Budget Remaining	Forecasted Expenditures	
						2014	Beyond 2014
Projects with remaining budgets >\$1 million							
Community Services	\$ 4,700,000	-	4,700,000	\$ 200,694	4,499,306	\$ 250,000	4,249,306
Corporate Services	16,340,000	-	16,340,000	585,903	15,754,097	3,168,103	12,585,994
Court Services	16,600,000	-	16,600,000	605,072	15,994,928	1,252,428	14,742,500
Niagara Regional Housing	2,098,157	-	2,098,157	365,433	1,732,724	734,567	998,157
Niagara Regional Police Services Board	99,826,000	-	99,826,000	24,545,331	75,280,669	16,546,794	58,733,875
Public Health	8,475,412	-	8,475,412	1,193,935	7,281,477	2,332,367	4,949,110
Public Works - Levy	162,087,312	3,612,738	165,700,050	30,138,922	135,561,128	33,281,960	102,279,168
Waste Management	3,950,000	945,000	4,895,000	190	4,894,810	70,000	4,824,810
Wastewater	98,731,287	2,344,875	101,076,162	7,027,617	94,048,545	8,248,500	85,800,045
Water Works	55,254,383	-	55,254,383	17,044,881	38,209,502	3,530,000	34,679,502
Total Projects with remaining budgets >\$1million	468,062,551	6,902,613	474,965,164	81,707,978	393,257,186	69,414,719	323,842,467
Projects with remaining budgets <\$1million	418,147,024	10,711,546	428,858,570	327,637,150	101,221,420	17,713,749	83,507,671
Total Capital Projects	\$ 886,209,575	17,614,159	903,823,734	\$ 409,345,128	494,478,606	\$ 87,128,468	407,350,138

Capital Sub-Project Detail

In addition to the capital project summary, a detailed analysis of capital sub-projects with budgets remaining greater than \$1 million is presented below. There are a total of 82 sub-projects totaling \$475.0 million of approved capital budget. Project spending to date on these sub-projects amounts to \$81.7 million, representing 17.2 per cent of the approved capital budget on these sub-projects. Excluding the larger multi-year projects with budgets greater than \$20 million, 17.6 per cent of the approved capital budgets have been spent.

Sub-project forecasted expenditures have been provided by the accountable project manager, including the estimated year of completion.

Project Description	Total Budget	Capital Variance Reserves (CVR)	Total Budget (Including CVR)	Project-to-date Actuals	Budget Remaining	Forecasted Expenditures		Year
						2014	Beyond 2014	
Community Services								
Northland Pointe Siding Replacement	\$ 4,700,000	-	4,700,000	\$ 200,694	4,499,306	\$ 250,000	4,249,306	2015
Total Community Services	4,700,000	-	4,700,000	200,694	4,499,306	250,000	4,249,306	
Corporate Services								
Financial Management System	12,940,000	-	12,940,000	581,509	12,358,491	3,043,103	9,315,388	2017
IT Server Building	3,400,000	-	3,400,000	4,394	3,395,606	125,000	3,270,606	2015
Total Corporate Services	16,340,000	-	16,340,000	585,903	15,754,097	3,168,103	12,585,994	
Court Services								
Court Facilities Renewal (3 sub-projects)	16,600,000	-	16,600,000	605,072	15,994,928	1,252,428	14,742,500	2016
Total Court Services	16,600,000	-	16,600,000	605,072	15,994,928	1,252,428	14,742,500	
Niagara Regional Housing								
Building Capital	2,098,157	-	2,098,157	365,433	1,732,724	734,567	998,157	2015
Total Niagara Regional Housing	2,098,157	-	2,098,157	365,433	1,732,724	734,567	998,157	
Niagara Regional Police Services Board								
Communications Unit Back-up	2,250,000	-	2,250,000	-	2,250,000	-	2,250,000	2016
Long-term Accommodations - HQ/Admin (3 sub-projects)	83,076,000	-	83,076,000	24,022,666	59,053,334	13,364,632	45,688,702	2015
NRPS - IT Continuity Plan	1,500,000	-	1,500,000	213,696	1,286,304	-	1,286,304	2016
Voice Radio System	13,000,000	-	13,000,000	308,969	12,691,031	3,182,162	9,508,869	2016
Total Niagara Regional Police Services Board	99,826,000	-	99,826,000	24,545,331	75,280,669	16,546,794	58,733,875	
Public Health								
2014 Ambulance & Equipment Replacement	2,475,412	-	2,475,412	966,294	1,509,118	160,000	1,349,118	2015
Public Health Facilities - Niagara Falls	2,900,000	-	2,900,000	21,721	2,878,279	478,279	2,400,000	2016
Thorold EMS Construction (formerly Construction EMS Buildings)	2,000,000	-	2,000,000	205,912	1,794,088	1,694,088	100,000	2015
Welland EMS Facility	1,100,000	-	1,100,000	8	1,099,992	-	1,099,992	2015
Total Public Health	8,475,412	-	8,475,412	1,193,935	7,281,477	2,332,367	4,949,110	

Capital Sub-Project Detail (continued)

Project Description	Total Budget	Capital Variance Reserves (CVR)	Total Budget (Including CVR)	Project-to-date Actuals	Budget Remaining	Forecasted Expenditures		Year
						2014	Beyond 2014	
Public Works - Levy								
Cpcty Imprv-Recon RR 49 (McLeod Rd), Montrose Rd to Stanley Ave, NF	9,875,883	-	9,875,883	39,293	9,836,590	100,000	9,736,590	2016
Cpcty Imprv-Recon RR 57 (Thorold Stone Rd) ext east of Stanley Ave	6,380,000	-	6,380,000	815,993	5,564,007	1,000,000	4,564,007	2015
Embankment Stabilization RR 14 (Canboro Rd) at Warner	2,400,000	-	2,400,000	621,760	1,778,240	161,000	1,617,240	2016
Old Hwy 20, Lookout St to Haist St	5,285,000	-	5,285,000	1,409,197	3,875,803	2,000,000	1,875,803	2015
Rds Rehab - Roads Resurfacing Program	4,075,000	-	4,075,000	76,675	3,998,325	2,000,000	1,998,325	2015
Rds Rehab - Roads Resurfacing Program Ph 2	775,000	2,375,000	3,150,000	-	3,150,000	1,500,000	1,650,000	2015
Rds Rehab-Canborough Rd from Townline to RR20	6,413,434	116,566	6,530,000	1,983,398	4,546,602	2,000,000	2,546,602	2015
Rds Rehab-Glendale Ave recon & widening-Jacobeen Ave to Burleigh Hill	1,000,000	-	1,000,000	-	1,000,000	100,000	900,000	2016
Rds Rehab-Lakeshore Rd (Ph 2) recon from Lakeport to Lake St	3,950,000	-	3,950,000	-	3,950,000	200,000	3,750,000	2016
Rds Rehab-Lakeshore Rd West recon from Third St to Seventh St	1,000,000	-	1,000,000	-	1,000,000	-	1,000,000	2017
Rds Rehab-St. Davids Rd operational improvements & bike lanes	3,740,000	-	3,740,000	1,253,374	2,486,626	1,942,000	544,626	2015
Reconst RR 102(Stanley Ave), Thorold Stone Rd to Valley Way - Phase 3	5,214,000	1,121,172	6,335,172	313,276	6,021,896	1,000,000	5,021,896	2016
Rehab - Main St, Third St to Henley Ave, Ph 2	3,281,700	-	3,281,700	2,192,392	1,089,308	519,000	570,308	2015
Rehab RR 5(Killaly St), King St to Steele St	5,297,295	-	5,297,295	3,169,137	2,128,158	500,000	1,628,158	2015
Rehabilitation RR 101 (Portage Rd), Mountain Rd to Stanley Ave, Ph 2	2,100,000	-	2,100,000	11,902	2,088,098	1,496,000	592,098	2015
Rehabilitation RR 18 (Mountain Rd), George St to King St, LN	1,650,000	-	1,650,000	160,512	1,489,488	469,000	1,020,488	2015
Replacement of Burgoyne Bridge (18 sub-projects)	91,350,000	-	91,350,000	14,455,334	76,894,666	17,844,960	59,049,706	2017
Struc Rehab-Main St Bridge (str 027220)	5,600,000	-	5,600,000	3,636,679	1,963,321	200,000	1,763,321	2015
Struc Rehab-OPG Bridges (str 067205 & 060215 over Gibson Lake)	2,700,000	-	2,700,000	-	2,700,000	250,000	2,450,000	2016
Total Public Works - Levy	162,887,312	3,612,738	165,700,050	30,138,922	135,561,128	33,281,960	102,279,168	
Waste Management								
Bridge St - Public Drop Off Depot Improvement	1,245,000	-	1,245,000	-	1,245,000	70,000	1,175,000	2016
Municipal Hazardous and Special Waste facility	1,500,000	-	1,500,000	190	1,499,810	-	1,499,810	2015
Recycling Centre - Facility Improvements	1,205,000	945,000	2,150,000	-	2,150,000	-	2,150,000	2015
Total Waste Management	3,950,000	945,000	4,895,000	190	4,894,810	70,000	4,824,810	

Capital Sub-Project Detail (continued)

Project Description	Total Budget	Capital Variance Reserves (CVR)	Total Budget (Including CVR)	Project-to-date Actuals	Budget Remaining	Forecasted Expenditures		Year
						2014	Beyond 2014	
Wastewater								
2013 Sewer Relining Program	1,439,660	-	1,439,660	117,822	1,321,838	882,000	439,838	2015
2014 Sewer Relining Program	1,025,000	-	1,025,000	-	1,025,000	100,000	925,000	2017
Chippewa Sewer Flooding - CSO Tank Construction	2,655,125	2,344,875	5,000,000	1,124,680	3,875,320	380,000	3,495,320	2015
Eastchester Ave Pump Station Upgrade	2,000,000	-	2,000,000	503,372	1,496,628	750,000	746,628	2015
Jordan Valley Pump Station Upgrade	1,609,702	-	1,609,702	279,662	1,330,040	750,000	580,040	2015
Lakeshore (NOTL), Garrison, William PS Upgrades	3,667,453	-	3,667,453	167,725	3,499,728	1,000,000	2,499,728	2017
Misc Prgm-Biogas Utilization	1,080,000	-	1,080,000	-	1,080,000	-	1,080,000	2015
NOTL WWTP Capacity Expansion	44,781,800	-	44,781,800	2,058,890	42,722,910	1,825,000	40,897,910	2017
Port Weller WWTP - bar screen and slum tank upgrade	2,725,000	-	2,725,000	963,937	1,761,063	546,500	1,214,563	2015
PS Capacity Expansion Prg-Smithville PS capacity upgrade Ph 1	9,640,000	-	9,640,000	163,105	9,476,895	125,000	9,351,895	2015
PS Improvement Program - Ontario St SPS	3,000,000	-	3,000,000	486	2,999,514	200,000	2,799,514	2015
Pumping Station Improvement Program (Design/Construction)	8,932,547	-	8,932,547	-	8,932,547	390,000	8,542,547	2017
Sewer & Forcemain Prg-Park Rd Sewer Repl	5,000,000	-	5,000,000	13,200	4,986,800	-	4,986,800	2015
Sewer & Forcemain Program	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	2017
South Side Low Lift Pump Station Upgrade	2,500,000	-	2,500,000	180,912	2,319,088	200,000	2,119,088	2017
Stevensville Pump Station Forcemain Replacement	1,675,000	-	1,675,000	117,803	1,557,197	500,000	1,057,197	2015
Welland WWTP Upgrade Program	2,500,000	-	2,500,000	1,247,251	1,252,749	100,000	1,152,749	2018
WWTP Upgrade Prg-Port Dalhousie WWTP Upgrade-Laneway Upgrades	1,500,000	-	1,500,000	88,772	1,411,228	-	1,411,228	2015
WWTP Upgrade Prg-WWTP Digester/Sludge Management Program	1,000,000	-	1,000,000	-	1,000,000	500,000	500,000	2015
Total Wastewater	98,731,287	2,344,875	101,076,162	7,027,617	94,048,545	8,248,500	85,800,045	
Water Works								
Decew WTP Upgrade based on age/cond	9,000,000	-	9,000,000	6,324,138	2,675,862	1,600,000	1,075,862	2015
Grimby WTP Brick Replacement	3,000,000	-	3,000,000	1,587,356	1,412,644	-	1,412,644	2014
Misc Prgm-Port Colborne Storage	5,530,000	-	5,530,000	196,200	5,333,800	50,000	5,283,800	2016
Trunk Watermains on Ontario St / Welland Ave	8,618,480	-	8,618,480	7,421,175	1,197,305	350,000	847,305	2014
Water Treatment Plant (WTP) Upgrade Program - Welland WTP Upgrade	24,500,000	-	24,500,000	425,813	24,074,187	1,500,000	22,574,187	2017
Welland WTP Upgrade (Revised)	2,105,903	-	2,105,903	1,090,178	1,015,725	-	1,015,725	2016
WTP Upgrade Prgm-Roof Replacement prgm at water facilities	2,500,000	-	2,500,000	21	2,499,979	30,000	2,469,979	2016
Total Water Works	55,254,383	-	55,254,383	17,044,881	38,209,502	3,530,000	34,679,502	
Total Projects with remaining budgets >\$1 million	\$ 468,062,551	6,902,613	474,965,164	\$ 81,707,978	393,257,186	\$ 69,414,719	323,842,467	

Capital Project Negative Budget Variances

The Capital Asset Management Policy requires capital projects to be monitored to identify projects for which a funding deficit has occurred and provides guidelines for addressing those deficits. Criteria used to identify significant variances are those greater than \$5,000 and five per cent over total budget at a parent project level (based on active remaining sub-projects). The policy also requires that projects be put on hold where they have been reported two times consecutively until such time as a funding source has been identified.

Project Description	Total Budget (Including CVR)	Project-to-Date Actuals	\$ Variance	% Variance	Explanation
General Government					
ZGG1002 - Niagara District Airport	\$ 11,735,357	12,192,353	(456,996)	3.89%	The Niagara District Airport project, funded through the Infrastructure Stimulus Fund (ISF) has completed construction however the project remains open due to deficiencies. The majority of these deficiencies have been rectified however there remains a performance issue related to the asphaltic concrete pavement on the apron. Additional costs are possible yet unknown at this time as they are dependent on the outcome of the deficiencies and legal action.
Transportation					
ZRC0236 - Reconstruction RR 81 (St Paul St), Ninth St to Seventh St	\$ 7,730,960	8,734,874	(1,003,914)	12.99%	As outlined by memo to Public Works Committee (PWC 50-2013), cost overruns are due to design changes to the structural retaining walls and additional contaminated materials to be disposed of off-site. The most recent forecasted cost overrun for the project completion is in the range of \$1.5M. The project is substantially complete however some work is still outstanding within the terms of the contract therefore the project remains active. Negotiations are ongoing between staff and the design consultant to recover a portion of the project shortfall however the majority of the negative variance is expected to be included in the 2015 Capital Budget deliberation.
Water Works					
ZCW1001 - Grimsby WTP Channel Remediation	\$ 325,000	366,018	(41,018)	12.62%	This project was for Channel Remediation and Process Waste Dechlorination at the Grimsby water treatment plant. There is a unfavourable variance for the dechlorination portion of the project due to higher than anticipated costs for this portion of the project, however the channel remediation project was completed and closed with a \$415,891 favourable variance.
Niagara Regional Housing (NRH)					
ZRH1206 - Community Remediation (COM33-2010) (Broadoak Phase 2)	\$ 6,182,469	6,622,278	(439,809)	7.11%	As part of the 2013 Year-end Transfer Report, the NRH Board recommended (approved per CSD 11-2014) that \$482,517 be transferred to the General Capital Levy Reserve for the Broadoak development project in the event that energy rebates still pending are not approved. As of September 30, Levy Reserve funds have not been transferred to Broadoak as the status of the rebates is still outstanding (NRH continues to pursue rebates).
Total	\$ 25,973,786	\$ 27,915,523	\$ (1,941,737)	7.48%	

Budget Adjustment Summary

Throughout the year, budget adjustments are made to reflect revised external funding for programs and to reallocate costs between departments or accounts due to operational changes. The primary drivers of the external funding adjustments are Ministry funded programs as they set their budgets following Regional budget approval. However, the Ministries want to see these dollars reflected in the Region's budget. For this reason, adjusting the gross budget throughout the year has been a long standing practice of the Niagara Region. Adjusting the gross budget has no impact on the levy as both external revenue and expenses are increased equally to reflect program requirements. The net budget, impacting levy and rate, is not adjusted. Below is a summary of gross budget adjustments that have been processed to date. Reallocations of costs within departments or categories are not summarized below. The adjusted budget is presented throughout this reporting book.

Original Budget Revenue & Expenditures		\$	829,648,250	
<u>Budget Adjustments*</u>				
Public Health	\$	165,548		To adjust Mental Health budget due to the additional funding for Early Psychosis Intervention Expansion and Elimination of the Paymaster Agreement for Homelessness consortium.
Public Works		(493,771)		To realign Provincial Gas Tax funding that is recorded directly into reserves as opposed to going through operating.
General Government		134,551		To adjust budgeted expenditures to offset known increase in supplemental tax revenue.
Planning & Development		(100,000)		To reduce budgeted expenditures to offset known reduction to miscellaneous revenue budget.
Emergency Services		(12,565)		To reduce budget as Emergency Services is not providing CPR/First Aid training for the Region in 2014 and future years.
Emergency Services		(184,552)		To reduce the land ambulance grant budget down to expected actual 2014 grant (as per Ministry of Health and Long-term Care funding letter HLTC3967FL-2014-34).
Emergency Services		464,211		To adjust budget to fund two 24hr ambulance crews and two operations supervisors effective 2014 from the Land Ambulance Severance Reserve due to the timing of Ministry funding applications (PHSSC(C) 35-2014).
Emergency Services		64,478		To develop budget for Omega project for 2014 in that the project is moving forward with a now known staffing level/operational structure.
Planning & Development		1,750,000		To allocate funding source for Lakefront Enhancement Strategy Incentive Program (ZPL1401) as per CSD84-2014.
Community Services		159,809		To increase budget for 1.0 fully funded temporary full time equivalent non-union staff (FTEs) approved as the LIP project coordinator from Jan-Dec 2014 as per COM 09-2014.
Total Budget Adjustment			1,947,709	
September 30, 2014 Adjusted Budget		\$	831,595,959	

*Adjustments to the original gross revenue & expenditure budget.

Accounts Receivable Aging Report

The accounts receivable aging report reflects all unpaid accounts greater than 120 days and greater than \$25,000.

Customer Name	Over 120	Explanation of Account	Recommendation
DMX Plastics Ltd	\$ 42,703	Accounts Receivable over 120 was \$94,406. Company set up a payment plan with the Niagara Region of \$4,500 to be paid monthly via post-dated cheques. Next scheduled payment is for the end of October.	Collection to continue
Casino Niagara	347,745	2011 short payment of \$125,684 and 2012 short payment of \$222,061 relating to the Casino/NRPS contract. Requested for write-off at 2013 year-end. Write-off request was denied.	Include in Year-end Write-off Report
The Outlet Collection	99,985	Special duty police services - working with their accounts payable department to obtain payment.	Collection to continue
Senior Resident	50,514	In 2014 Public Guardian and Trustee took over the file. Niagara Region's legal department is involved and a statement of claim has been issued. Collection efforts have not yet been exhausted.	Collection to continue
Senior Resident	34,872	In 2011 the financial Power of Attorney passed away before the resident and no one was looking after the finances. In 2014, Public Guardian and Trustee finally took over and has notified us that the estate was insolvent.	Include in Year-end Write-off Report
Merritton Mills Redevelopment Corp	1,063,900	2007 Landfill tipping fees. A 2011 report illustrated the 4 developments to which the payments relate. Niagara Region is working with the City of St. Catharines to collect these fees through the Tax Increment Based Grant program over the next 10 years (344 Glendale and 271 Merritt Street).	Collection to continue
Keefer Developments	108,287	Landfill disposal fees from 2002, 2003, 2004 & 2005 waived pending the Tax Increment Grant agreement between developer and City of Thorold. Niagara Region is in discussions with the City of Thorold and the Developer on an agreement to recover these fees.	Collection to continue
	<u>\$ 1,748,006</u>		

Investment Report

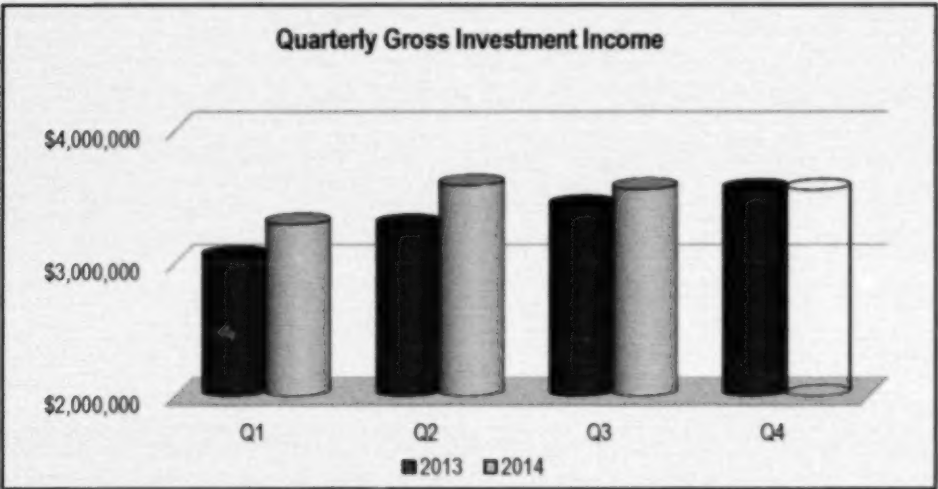
Institution	Aggregate Amount of Investment by Institution	Percentage Holdings by Security excluding Cash Balance
<u>Investments</u>		
Region of Niagara	24,454,527	6.3%
Federal	14,597,961	3.7%
Provincial	134,699,913	34.5%
Municipal	63,086,011	16.2%
Corporate	153,231,484	39.3%
TOTAL excluding Cash	390,069,896	100.0%
Cash (General Checking) *	35,431,565	
Cash (Savings)	111,791,906	
Cash (Sinking Fund)	93,602	
TOTAL including Cash	537,386,968	

Note: Cash balances shown are the amounts held by the financial institution at the end of the quarter and do not include adjustments for outstanding payments or deposits. Unrealized exchange on U.S. funds of \$653,462 is included.

Funds	Book Value	Weight Q3
Cash	147,223,471	27.4%
Cash Equivalents < 1 Year	100,076,895	18.6%
2 Year	77,940,539	14.5%
3 Year	42,747,331	8.0%
4 Year	25,444,367	4.7%
5+ Year	137,606,789	25.6%
Sinking Fund (Incl. Cash)	6,347,576	1.2%
Total Portfolio	537,386,968	100%

Investment Update

Investment earnings on the portfolio for the third quarter of 2014 amounted to \$3,559,814. Segmented earnings were \$3,009,406 on investments and \$550,408 on the cash balance. The second quarter annualized yield on the investment and cash portfolio was 2.69 per cent vs. 2.77 per cent in Q2 2014. At September 30, 2014, the portfolio had unrealized market gains (market value vs. book value including accrued interest) of \$6,260,740. Total gross investment income for 2014 to date is favourable when compared to the budget by \$1,575,908.



	Q1	Q2	Q3	Q4	Total
2014 Budget (Net)	2,795,632	3,173,275	3,379,467	3,926,746	13,275,120
2014 Actual (Net)	3,777,292	3,587,176	3,559,814	3,926,746	14,851,028
Variance	981,660	413,901	180,347	-	1,575,908

Note: Net amounts are after interest allocation to reserves and recommended transfer to/from Investment Income Stabilization Reserve and Hospital Contribution Reserve. Shaded amounts represent forecast.

List of Investments Outstanding as of September 30, 2014

Institution	Aggregate Amount of Investment by Institution	Percentage Holdings by Security excluding Cash Balance	Percentage Policy Limits
Region of Niagara Debentures	\$ 24,454,527	6.8%	100.0%
Federal			
CMHC	4,282,576	1.1%	100.0%
Export Development Canada	10,315,384	2.6%	100.0%
Federal Total	14,597,961	3.7%	100.0%
Provincial			
Province of Ontario	57,148,336	14.2%	25.0%
Province of Quebec	18,618,280	4.6%	25.0%
Province of Alberta	10,126,891	2.5%	25.0%
Province of B.C.	2,896,494	0.7%	25.0%
Province of Manitoba	10,298,149	2.5%	25.0%
Province of Newfoundland	4,463,276	1.1%	25.0%
Province of New Brunswick	2,464,059	0.6%	25.0%
Ontario Hydro	16,901,435	4.2%	25.0%
Quebec Hydro	11,782,992	3.7%	25.0%
Provincial Total	134,699,913	34.1%	75.0%
Municipal			
City of Guelph	995,813	0.2%	5.0%
City of London	1,998,592	0.5%	5.0%
City of Montreal	5,179,834	1.3%	5.0%
City of Ottawa	361,054	0.1%	5.0%
City of Saskatoon	3,330,780	0.8%	5.0%
City of Toronto	18,062,609	4.5%	5.0%
District of Muskoka	175,339	0.0%	5.0%

Institution	Aggregate Amount of Investment by Institution	Percentage Holdings by Security excluding Cash Balance	Percentage Policy Limits
Municipal Continued			
Municipal Finance Authority of BC	11,173,728	2.8%	5.0%
New Brunswick Municipal Finance Authority	6,369,959	1.6%	5.0%
Region of Durham	303,742	0.1%	5.0%
Region of Halton	2,811,805	0.7%	5.0%
Region of Peel	540,121	0.1%	5.0%
Region of Waterloo	4,839,298	1.2%	5.0%
Region of York	3,421,754	0.9%	5.0%
York Region District School Board	3,521,583	0.9%	5.0%
Municipal Total	63,086,011	15.7%	25.0%
Corporate			
Bank of Montreal	10,704,634	2.7%	15.0%
National Bank of Canada	31,200,000	7.8%	15.0%
Royal Bank	50,204,061	12.5%	15.0%
CIBC	19,617,594	4.9%	15.0%
CHIP Mortgage Trust	2,357,195	0.6%	15.0%
Bank of Nova Scotia	30,258,000	9.0%	15.0%
HSBC Bank of Canada	3,390,000	0.8%	15.0%
Vancity Credit Union	5,500,000	1.4%	15.0%
Corporate Total	153,231,484	39.6%	50.0%
TOTAL excluding Cash	390,069,895	100%	100.0%
Cash and Cashable GIC's	147,317,073		
TOTAL including Cash	\$ 537,386,968		

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region's financial operating activity as of September 30, 2014 and forecasted operating results to the end of 2014. These statements have been compiled by Corporate Services and the departments have validated the information and provided commentary.

These statements present the net funding position of Niagara Region's operating budget and do not include Private Sector Accounting (PSA) adjustments for amortization, employee future benefits and landfill liability. Approved and/or expected unbudgeted transfers to/from reserves can offset other variances and impact net surplus/deficit reported by departments. These statements do not include capital activity.

Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this quarterly financial update. Readers of these reports are cautioned that actual operating results may vary from the forecast information presented for 2014.

Definitions are provided below to support the report.

Report Columns

Annual Budget - represents the annual budget approved by council with budget adjustments as explained on page 237.

Year To Date Budget - represents the portion of the annual budget expected to be realized from January through September.

Year To Date Actual - represents actual costs incurred and revenues earned from January to September. Departments have accrued for goods or services received but not yet paid for and revenues earned but not yet received.

Year To Date Budget vs Actual Variance Favourable/(Unfavourable) - represents the difference between the year to date budget and the year to date actual. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Year To Go Forecast - represents the expected expenditures and revenues for the remainder of the year (October to December). Departments determined these forecasts based on knowledge of current operations. As noted, actual operating results may vary from the forecasted information presented.

Annual Forecast - represents the year to date actual plus the year to go forecast. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2014. As noted, actual operating results may vary from the forecasted information presented.

Annual Budget vs Forecast Variance Favourable/(Unfavourable) - represents the difference between the annual budget and the annual forecast. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Explanation of Statement of Operations (continued)

Report Rows

EXPENDITURES

Personnel Costs - includes all salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administrative Expenses - includes some allowances (car, mileage, etc.), memberships, training and related expenses and other miscellaneous expenses.

Materials, Supplies and Utilities - includes costs for; chemical, medical and office supplies, small equipment, waste management supplies, and all utilities.

Repairs & Maintenance - includes all costs to repair or maintain equipment, property and vehicles.

Purchased Services and Other Operating Expenses - includes costs for audit, advertising, consulting, insurance, leases, contracted services, Court Services expenses and other expenses.

Social Assistance - costs include all Ontario Works allowances and benefits program costs.

Financial Expenditures - includes all interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments through the chargeback/recovery process.

Capital Equipment and Renovation - costs include all capital expenditures processed through the operating statement.

Niagara Regional Housing (NRH) Provider Subsidy and Supplements - includes all rent supplements and the use of all housing related subsidies.

Transfer to Reserves - includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

Allocations Between Departments – includes all direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate. The pre-established rate is intended to recover the costs incurred by the service provider (time and material).

Allocations to Capital Program – includes all eligible costs recorded and managed in the operating program allocated to the capital program.

Indirect Allocation – includes all costs that are not directly traceable to a specific program or department (i.e. HR, finance, legal, IT, properties, print shop and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Capital Financing Allocation – includes allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.

Explanation of Statement of Operations (continued)

REVENUES

Taxation – Levy - includes all revenues received from area municipalities including payment-in-lieu and supplemental. It also includes power dams revenue.

Taxation – Rate - includes all funds received to support waste management, water and wastewater operations.

Ontario/Canada Grants - includes all funds received from the provincial and federal governments.

Fees and Services Charges - includes shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue - includes shared services revenue (with shared services agreement), investment income, Court Services revenue, recycling revenue, NRH revenue and other revenue.

Transfers from Reserves - includes all transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.





Quarterly Financial Update